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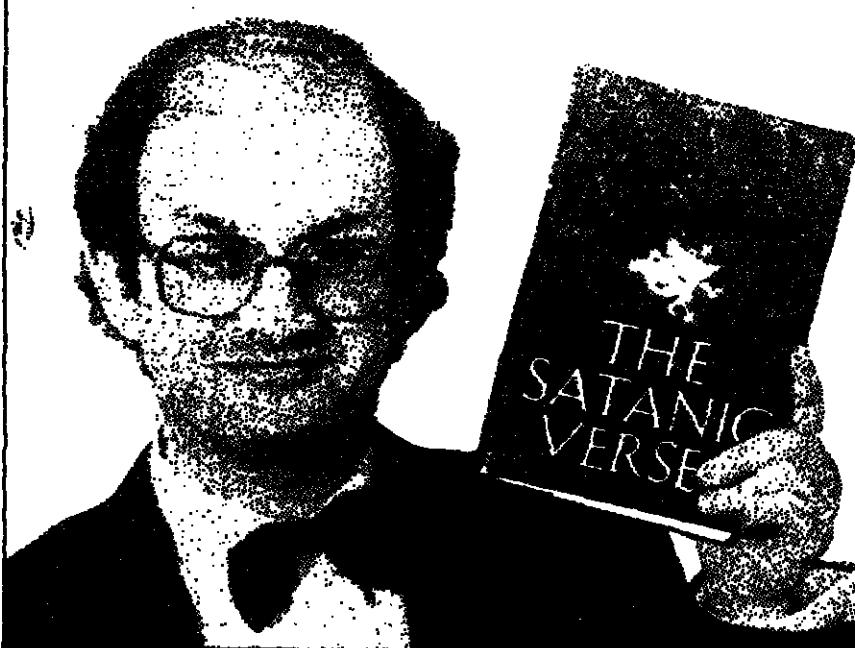
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PARIS, WEDNESDAY, FEBRUARY 15, 1989

ESTABLISHED 1887

Khomeini Tells Moslems: Slay Author of 'Satanic Verses'



By Sheila Rule
New York Times Service
LONDON — Ayatollah Ruhollah Khomeini of Iran called Tuesday for Salman Rushdie and his publishers to be killed for his book, "The Satanic Verses." Mr. Rushdie reportedly said that he was taking the threat seriously.
"I ask all the Moslems to execute them wherever they find them," Tehran radio quoted Ayatollah Khomeini as saying.
"Whoever is killed doing this will be regarded as a martyr and will go directly to heaven," Ayatollah Khomeini said in what was called a message to the Moslem world.
Mr. Rushdie, 41, who lives in London, told the British Broadcasting Corp. that he took the threat "very seriously indeed" and was considering asking British authorities for protection.
In Islamabad, the former Pakistani minister of religious affairs, Kausar Niazi, told The New York Times: "People have already gone to England to murder this man."
"The people are after his blood," said Mr. Niazi, who was the leader of a protest march to the American Center that resulted in an outbreak of violence and the deaths of five persons, who were shot by the police. "My prediction is that he will be eliminated in the coming few months."
Wednesday was declared a day of mourning in Iran in protest against the novel, a phantasmagoric tale that has sparked a wave of protests by Islamic fundamentalists.
The ayatollah said that "the author of 'The Satanic Verses' book, which is against Islam, the prophet and the Koran, and all those in-

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The ayatollah said that "the author of 'The Satanic Verses' book, which is against Islam, the prophet and the Koran, and all those in-

involved in its publication who were aware of its content, are sentenced to death." His word is considered law by millions of Shiite Moslems.
"If someone knows them but is unable to kill them, he should hand them over to the people for punishment."
"I am very sad it should have happened," Mr. Rushdie was quoted by the Press Association, Britain's national news agency, as saying. "It is not true this book is a blasphemy against Islam. I doubt very much Khomeini or anyone else in Iran has read the book or anything more than selected extracts taken out of context."
Islamic opponents of the book say it blasphemes Mohammed.
Britain's Foreign Office said that clarification was being sought over Mr. Khomeini's remarks, which, "if true, are a cause for concern."
The Home Office said that
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Afghan Units Fleeing Attacks, Soviets Report

Washington Post Service
MOSCOW — With one day to go before the withdrawal of the last Soviet troops from Afghanistan, a Soviet newspaper reported Tuesday that some Afghan Army units were fleeing in the face of attacks by rebel forces.
A Soviet Foreign Ministry spokesman said that 30,000 rebels were massed around Kabul while 15,000 surrounded the eastern city of Jalalabad. The rebels were reported to have fired several rockets into Kabul on Tuesday, hitting the airport and a bazaar.
The newspaper report appeared designed in part to prepare Soviet citizens for an upsurge in fighting after the withdrawal.

A reporter for Tass in the border town of Termez in Soviet Uzbekistan said that the last two battalions of Soviet troops would cross the Amu-Darya River by noon Wednesday. The last Soviet military commander in Afghanistan, Lieutenant General Boris V. Gromov, said he would be the last soldier to cross the border.
[Reuters reported from Kabul that the last Soviet troops guarding the capital's airport flew home Tuesday night.]
The Geneva peace agreements signed in April stipulate Feb. 15 as the final date for the departure of Soviet troops. Over the past nine months, the Soviet Union has withdrawn nearly 105,000 soldiers. The trade union newspaper Trud said Tuesday that some Afghan units were already abandoning army posts handed over to them by the Soviet Army.

"Some garrisons have already been robbed," Trud said, quoting returning Soviet soldiers. "Their personnel, feeling threatened by enemy propaganda, have simply fled. Extremists are already occupying them."
The Kabul radio said that four children and an elderly man were killed when a rocket hit the bazaar. Reuters quoted a soldier guarding the Kabul airport as saying that two mujahidin rockets had landed near the runway without causing damage.
In public, Soviet officials express confidence in the ability of the government of Major General Najib to resist mujahidin attacks. But there was no suggestion that the Kremlin would aid him if his government appeared to be in danger.
Both Soviet and Afghan officials have ruled out the use of Soviet air power to support General Najib. This was the one military option still open that might have had some effect in restraining the rebels.

■ Talks Remain Stalled
A council of Afghan political leaders that was designed to have a new government ready on the date of the Soviet withdrawal remained deadlocked Tuesday over a procedural question, The Washington Post reported from Islamabad.
Moderate political factions blocked any action by the council as hard-line groups refused to compromise on the proposed inclusion of mujahidin based in Iran.
The council opened four days ago but was adjourned within hours because of the Iran issue, which has become a symbol of the divisions among the Afghan rebel factions.



Two Afghan rebels guarding a mujahidin camp in the Khyber Pass on the border with Pakistan.

Baker to Sell His Disputed Bank Shares

By Don Oberdorfer
Washington Post Service
ROME — James A. Baker 3d, the U.S. secretary of state, announced Tuesday that he was selling all his shares in a bank holding company and other publicly traded stocks in order to meet "the highest ethical standards" of public service and to avoid any perception of a conflict of interest.
The surprise announcement regarding Mr. Baker's substantial holdings in the Chemical New York Corp. was made aboard his aircraft as he flew from Athens to Rome during a weeklong consultation tour of all NATO capitals.
The bank holding company has more than \$4.5 billion in loans to

Third World countries. Mr. Baker had been under pressure from C. Boyden Gray, chief ethics officer for the Bush administration, to sell his more than \$250,000 worth of stock to avoid any appearance of a possible conflict of interest, given the importance of the Third World debt issue.
Mr. Baker also announced, in a statement read by his spokeswoman, Margaret Tutwiler, that his wife, Susan, and daughter were also selling all their publicly traded stocks. He said in the statement that his decision went "well beyond what is required or what has been recommended" by those he consulted.
An aide said that Mr. Baker had "basically decided" to take this ac-

tion in London last Saturday night on the first leg of the current trip. The aide, who asked not to be quoted by name, said that Mr. Baker had been consulting State Department attorneys since then through Robert Kimmit, his former counsel at Treasury who has been nominated to be undersecretary of state for political affairs.
En route from Bonn to Ankara earlier Tuesday, Mr. Baker received recommendations from his lawyers, the aide said.
The lawyers had been considering the possibility of creating a diversified blind trust, which is more restrictive than the trust that Mr. Baker presently has, or disposing of the bank stock by giving it to his grown children, the aide said.

While serving as Treasury secretary under President Ronald Reagan, Mr. Baker held on to the shares and excused himself from matters affecting Chemical Bank. He had reportedly hoped to follow that same practice at the State Department.
Mr. Baker's announcement came the same day as an editorial in The New York Times urged him to divest himself of all bank stocks, pointing to a call by President George Bush for a "new era" in ethical standards in government.
"If the president wants to be taken seriously about ethical standards, higher or not," the newspaper said, "he can start by requiring Mr. Baker to pay his debt to honorable appearances."

Bush Contributors Reap Their Embassy Harvests

By Elaine Sciolino
New York Times Service
WASHINGTON — President George Bush has rewarded several financial contributors to his presidential campaign, and some longtime supporters, by naming them to prestigious ambassadorships, according to senior officials.
In doing so, Mr. Bush conforms to the tradition of naming "political appointees" who have little or no experience in the Foreign Service as some of the chief representatives of U.S. foreign policy abroad.
The job of ambassador to France, considered one of the most desirable posts, will go to Walter

J.P. Curley Jr., a major New York fund-raiser for the Bush presidential campaign and a friend of the Bush family for 50 years.
A venture capital investor who was ambassador to Ireland from 1975 to 1977, Mr. Curley was in the same class at Phillips Academy, in Andover, Massachusetts, and at Yale University, as Mr. Bush's brother Prescott. He speaks what he calls fair French.
In other appointments, Mr. Bush has named Peter Scaccia, the Republican national committeeman from Michigan, to the job he asked for: ambassador to Italy. Mr. Scaccia won praise from the Bush camp for leading the fight in Michigan. He is an Italian-American who does not speak Italian well, close friends say.
Joseph Zappala, an investor and land developer from Tampa, Florida, will become ambassador to Spain. Mr. Zappala contributed \$100,000 to the Bush campaign and

was co-chairman of an effort to raise \$25 million in large contributions.
Another Florida developer and Bush co-chairman in Florida, Marvin F. Sembler, will become ambassador to Australia. Mr. Sembler also contributed \$100,000 to the Bush campaign.
Frederick Bush, deputy finance chairman for the Bush campaign, will go to Luxembourg as ambassador. Mr. Bush, who is no relation to the president, served in Mr. Bush's vice presidential operation before starting a consulting firm, Bush & Co., which was criticized during the campaign for promoting its ability to influence the Republican administration in an attempt to solicit business from Haiti.
The issue of political appointments to key ambassadorships became more touchy in the Reagan administration, when nearly 40 percent of the 148 diplomatic posts around the world went to friends and sup-

porters of the president. In previous administrations, about 30 percent of ambassadorships went to political appointees. Bush administration officials say that it is too early to say whether Mr. Bush will scale back the number.
The growing number of such appointees ruffles senior Foreign Service officers, who often feel that they are cut off from plum assignments at the height of their careers. But many Foreign Service officers acknowledge that political appointees, who often bring skills from private industry to the job and have greater access to the president, can make effective ambassadors.
Bush administration officials stress that the president has also given key posts to career Foreign Service officers.
Mr. Bush has nominated Morton L. Abramowitz, assistant secretary of state for intelligence and re-

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Africa: Japan's New Frontier

By Mary Battista
Washington Post Service
MIKUNJI, Kenya — Mamoru Tanaka, aged 29 and newly arrived from Japan, sized up his pupils — African village children squirming behind round-brown desks. They were frowning at their mathematics notebooks and whispering to each other in Swahili.
"Hail!" Mr. Tanaka called out in Japanese. And then in English: "I will show you new method! Concentrate on yourself! It is tiring, it is boring, but you must do!"
Mr. Tanaka, a Japanese volunteer who will live in this remote mountain hamlet for two years as a member of Japan's version of the Peace Corps, could as well have been setting forth his own country's agenda here.
Japan, possessor of the world's most successful economy, is giving out record amounts of aid to sub-

Saharan Africa, a region with more than 40 of the world's least successful economies.
In the past five years, Japanese assistance to Africa has more than doubled, from \$286 million to \$593 million. Japan is now the fifth-largest donor in the region and the largest donor in Kenya, Nigeria, Zambia and Ghana.
An island nation with no cultural or historical ties to Africa, Japan has bought its way into the major leagues of development aid. It is also the largest contributor to the World Bank's special loan facility for Africa.
Worldwide, the Japanese will spend an estimated \$9.6 billion in foreign aid in 1989, making them the world's largest donors.
Seventy percent of Japan's aid still goes to its neighbors in Asia. But with some of those recipients, such as Thailand, striding ahead

economically, Japan is under pressure from Western governments to disperse its money where it is needed most. Japan has pledged \$50 billion in foreign aid to developing countries in the next five years.
Japan's role as an African benefactor, however, has caught its short-handed. Japan has little experience in assistance to poor countries outside of Asia. For most Japanese, Africa is still unknown territory.
Japan faces a critical shortage of citizens trained to administer burgeoning foreign development programs. Last April in Tokyo, at an annual meeting of ambassadors, the diplomats clamored for more development analysts and technicians.
At the Japanese Embassy in Kenya, a professional staff of 12 is

See AID, Page 2

Afghan Lessons Affect Soviet Self-Image

By Michael Dobbs
Washington Post Service
TERMEZ, U.S.S.R. — Alexander Karpienko, his face scarred by the explosion of an Afghan guerrilla mine, watched the Soviet troops cross the border from Afghanistan with a mixture of hope and sorrow.
"It was a mistake, a very big

cost billions of rubles. It has also affected the way ordinary Soviets think about themselves, their government and their country's place in the world.
The Soviet withdrawal from Af-

"The war in Afghanistan has made us wiser, allowed us to think more clearly about ourselves and about our country," Alexander Karpienko, a Soviet war veteran.

Second in a two-part series
mistake, but we can learn from our mistakes," said Mr. Karpienko, a writer and poet who served in Afghanistan shortly after the Soviet intervention in December 1979.
"The war in Afghanistan has made us wiser, allowed us to think more clearly about ourselves and about our country."
Mr. Karpienko's comments reflect the ambiguity felt by many Soviet citizens about the bloody nine-year adventure in Afghanistan that coincided with dramatic political and social upheavals at home. The war took about 15,000 Soviet lives, maimed tens of thousands of young Soviet soldiers and

ghanistan, which is due to be completed by Wednesday, is in part the result of the "new political thinking" advocated by President Mikhail S. Gorbachev under perestroika, his program to restructure Soviet society. But the recognition that the Soviet Union got bogged down in an unwinnable war has itself been a major factor in changing the outlook of Mr. Gorbachev and his colleagues.
"Afghanistan has affected perestroika, just as perestroika has af-

into a blind alley — and this was the only way out."
"The people who started the war in 1979 are no longer around," said Radomir Bogdanov, deputy director of a Moscow political research center. "Completely different people finished the war. They are younger people than those who began the war, and they have a totally different mentality."
If the past is any guide, the Soviet experience in Afghanistan could have unforeseen and unpredictable political consequences at home. The waging of foreign wars has frequently provided this traditionally closed society with a forced point of contact with the outside world, opening it up to foreign ideas and life-styles.

The Russian soldiers who pursued Napoleon to Paris after his disastrous invasion of 1812 returned home infected with Western notions of freedom and democracy. The result was an unsuccessful coup against czarist autocracy in 1825, followed by a violent repressive backlash.
An unexpected defeat at the hands of the Japanese contributed to the 1905 revolution in Russia. The workers and peasants who served as cannon fodder in World War I became standard-bearers for the Bolsheviks in 1917.

The million or so young Soviets who served in Afghanistan were exposed to many different influences — from exotic drugs and tropical diseases to wartime camaraderie and cynicism.
Many Afghans, as the veterans are known, say they would like to contribute to perestroika. Others simply want to drop out.

For several years after the Kremlin sent troops into Afghanistan, there was no public discussion of the war. Official news media carried rosy reports of Soviet soldiers building bridges, digging irrigation ditches and receiving flowers from a grateful population.
"It was sheer stupidity," said Vladimir Segrehev, a journalist who reported from Afghanistan from 1980 to 1981 for Komsomolskaya Pravda, the Communist youth newspaper. "Our press never talked about the war. But the Voice of America talked about it every day — and people listened in huge numbers. Soviet public opinion about the war in Afghanistan was shaped in large part by Western sources of information."
No official Soviet casualty figures were issued until May 1988, after more than eight years of fighting. For years, local authorities refused to allow any mention of Afghanistan on the tombstones of Soviet war dead. "Died in the service of the Motherland" was the officially approved circumlocution.
After months of arguing, a group of Afghan war veterans finally succeeded last June in getting permission to build a small monument to their fallen comrades in a Moscow park. Similar monuments "To the Soldier-Internationalists" have since cropped up in other cities.
The lack of information about the war contributed to the sense of bewilderment felt by Soviet conscripts on being sent to Afghanistan. Instead of flowers, they were greeted by bullets. Equally disillusioning was the often brutal system of hardening new recruits by forcing them to serve their seniors.
"We had no idea what it would be like," said Igor Morozov, who served in Afghanistan from 1984 to 1985. "Before going to Afghanistan, I imagined that Soviet soldiers were all on the same side. But our elders made us go through hell. Some behaved like beasts. I can quite understand why some Soviet soldiers defected and started fighting for the other side."
Of course, the war was debated at home around the kitchen table, the traditional place where Russians gather to discuss sensitive

See SOVIET, Page 2

Kiosk

Leaders Move

Against Contras

COSTA DEL SOL, El Salvador (Reuters) — The leaders of five Central American countries agreed Tuesday to draw up a plan within 90 days to expel the Nicaraguan rebels from Honduras, a move that could spell the end for the U.S.-backed guerrillas.
In return, the Nicaraguan Government pledged to implement political reforms to create conditions for free and fair elections to be held by Feb. 26, 1990. The accord was read out by President Jose Napoleon Duarte at the end of a two-day meeting of the five presidents, held to revitalize the peace pact they signed in Guatemala City in August 1987.

Final Verdict

In Bhopal Case

NEW DELHI (NYT) — India's Supreme Court handed down a landmark verdict Tuesday, ending the four-year litigation between India and Union Carbide. It ordered the concern to pay \$470 million as final compensation to the government for the victims of the 1984 gas disaster at Bhopal.
Union Carbide said it accepted the ruling in the world's worst industrial accident, from which more than 3,500 people died. The company's shares soared on news of the settlement, gaining \$2 to \$31.25 on Wall Street.

General News

The Soviet Union disclosed detailed crime statistics for the first time in 56 years. Page 2.

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Soviet Union Reports Sharp Rise in Violent Crime

By Esther B. Fein
New York Times Service

MOSCOW — In the first disclosure of detailed crime statistics in 56 years, the Soviet Union reported that per capita crime rose over the last year by 17.8 percent, with especially sharp increases in violent crime.

The chief of information at the Interior Ministry, Major General Anatoli Smirnov, was quoted in the government newspaper Izvestia as saying that the number of crimes reported in the country in 1988 climbed to 657 for every 100,000 people from 558 the previous year.

General Smirnov did not evaluate the meaning of the statistics and gave no indication whether the increase was due to a rise in the rate of reporting by victims or in the number of crimes committed.

"The figures published by the paper may

shock many people," he said. "But it's better to know the real situation, so that the problems of our safety and the concerns and problems of the militia become clearer."

Soviet authorities have traditionally been secretive about revealing crime data, fearing it would tarnish the country's image abroad and inspire fledgling criminals at home.

But in the last few years, officials have gradually become more open about the subject. The earliest reports focused on graft, corruption and organized crime activities.

About 18 months ago, Moscow police authorities began holding weekly briefings for Soviet reporters, inspiring regular crime columns in all three Moscow daily newspapers. The official Tass news agency quoted General Smirnov as saying that regular reporting of crime statistics was crucial to

law enforcement because, without such figures, "even the most sophisticated punitive machinery will not be effective." He said that reporters would henceforth be kept regularly informed about Soviet crime statistics.

Foreign reporters were not invited to a briefing Tuesday by General Smirnov, and there was no indication whether they would be permitted at future ones.

The statistics released Tuesday showed that the total number of recorded crimes in the Soviet Union rose by 68,700 from 1,867,223 in 1987 to 1,935,923 in 1988, an increase of 3.8 percent over 1987.

The statistics revealed that in 1988, the number of murders rose to 16,710 from 14,651 in 1987; 17,638 rapes were reported compared with 16,765 in 1987; cases of assault and battery increased to 37,191 compared with 28,250 the previous year; and recorded incidents of violent robbery

increased to 12,916 from 9,047 in 1987. The biggest jump among the 15 Soviet republics was in Moldavia, which saw registered crimes rise by a staggering 56.2 percent. It was followed by Kirghizia, with a 32.2 percent increase.

While crimes against people had increased, General Smirnov said that embezzlement of government and public property, and theft and abuse of office equipment had declined — from 96,986 cases in 1987 to 87,450 last year. He also said that the reported cases of fraud had fallen from 23,897 in 1987 to 21,543 in 1988.

General Smirnov also reported that 32 percent of those found guilty in Soviet courts were sentenced to jail terms, but he suggested that the rewriting of the Soviet criminal code, currently underway, might reduce the proportion of those imprisoned to 24 percent. He did not indicate how many people were actually convicted.

Kohl Fears Missile Issue Could Cost An Election

By Robert A. McCartney
Washington Post Service

BONN — Chancellor Helmut Kohl is strongly pushing a pro-nuclear line on an important Western alliance nuclear arms issue, and risking a major dispute over it with the United States and Britain, because he fears that a hawkish position might cause him to lose the next election, West German and U.S. officials said Tuesday.

Mr. Kohl, in a meeting Monday with the U.S. secretary of state, James A. Baker 3d, emphasized the potential political danger to himself if he adopted the U.S. and British line on the future of the North Atlantic Treaty Organization's short-range nuclear missiles, the West German officials said.

After sending conflicting signals on the issue for more than a year, Mr. Kohl surprised the alliance last week by calling on NATO to wait at least two years before deciding whether to produce and deploy modernized models of the Lance short-range nuclear missile.

He also strongly reaffirmed Bonn's support for East-West negotiations to reduce arsenals of such weapons.

The United States and Britain both favor a NATO commitment in the next three or four months to update the Lance missiles, which will be obsolete by 1995. Washington and London oppose early negotiations on reducing short-range nuclear weapons.

Mr. Kohl, a Christian Democrat who leads a center-right coalition, has acted to protect himself on his political left flank because chances apparently have risen that the Social Democrats might come to power in the next national parliamentary elections in December 1990.

The Social Democrats oppose modernization and would like to use the issue against Mr. Kohl in the campaign. The Social Democratic Party chairman, Hans-Jochen Vogel, said Tuesday that Mr. Kohl, by seeking to delay a Lance modernization decision until at least 1991, obviously wanted to get the issue "off his back" before the election.

As reported by a West German official Tuesday, Mr. Kohl and his foreign minister, Hans-Dietrich Genscher, told Mr. Baker, "The momentum which now has been achieved in the disarmament process in Europe, in particular by the unilateral steps taken by Gorbachev, should not be stopped by a false signal that could be interpreted as a renunciation of disarmament."

They also stressed that NATO's short-range nuclear arms, or those with ranges of less than 300 miles (500 kilometers), are a particularly sensitive domestic political issue because they are based mostly in West Germany.

A U.S. official, who asked to remain unidentified, said Mr. Kohl's position on short-range nuclear arms clearly was designed to respond to domestic political pressure. The U.S. official expressed concern that the chancellor's assertion of West Germany's positions could hurt relations with the United States even though a compromise could be reached on the issue by the deadline of the next NATO summit meeting.

In a separate development Tuesday, West German officials confirmed that the Bonn government was leaving open the possibility that it could support a Warsaw Pact proposal to scrap all of both NATO's and the Warsaw Pact's ground-based, short-range nuclear missiles.

Mr. Genscher warned NATO allies Tuesday against making the dispute over the Lance modernization a test of Bonn's commitment to the Western alliance, Reuters reported from Bonn.

In a radio interview, Mr. Genscher said that modernization was "not the key to Western security." He said achieving a balance in Warsaw Pact and NATO conventional forces was the vital issue.

Mr. Genscher said: "It is important from a political point of view that the attitude to a specific question is not made into a test of the reliability of one or more countries in the alliance."

AID: Japan in Africa

(Continued from Page 1)

responsible for administering Japanese aid to 23 countries. The U.S. Agency for International Development has at least three times as many employees working on Kenyan projects alone.

As a result, Japan relies on the World Bank and other experienced international institutions to help finance many of its projects. The great majority of its money is given in loans and grants rather than technical assistance and volunteer services, which require more administrative labor.

Japan has taken some criticism for failing to learn from past donor mistakes and for promoting projects other donors have long discarded as counterproductive.

Often cited as an example are the large grain silos the Japanese have built for the Kenyan government. Critics say the silos encourage the Kenyan government to retain its stranglehold on the grain market at a time when most experts and advisers believe the market should be opened up to private entrepreneurs.

Baker Confronts 'Gorbachev Factor'

By Thomas L. Friedman
New York Times Service

BONN — In his talks with West German leaders, James A. Baker 3d, the U.S. secretary of state, is finding that Mikhail S. Gorbachev's charm has so captivated European public opinion that it is beginning to inhibit NATO's political room for maneuver, according to a senior official traveling with Mr. Baker.

The Soviet leader's popularity in Western Europe is perceived as such a problem that Foreign Minister Uffe Ellemann-Jensen of Denmark suggested to Mr. Baker in Copenhagen on Monday that the North Atlantic Treaty Organization consider assembling a group of "wise men" to develop a plan for "presenting the alliance in the most convincing way to NATO publics," the senior American official said.

Mr. Baker got a demonstration of the "Gorbachev factor" on Monday night when Chancellor Helmut Kohl of West Germany repeated in their talks that Bonn was not prepared now to make any formal commitment to modernize NATO's aging Lance short-range nuclear missiles, many of which are based in West Germany.

The senior official said that what Mr. Baker had been hearing in his talks with European leaders was that "the agenda in East-West relations is the Western agenda" — meaning that the strong NATO position is undeniable, as you go around, that people can see that there is just an attraction, an intriguing quality, to Gorbachev that you have to answer somehow. But we have no answers.

One message that Mr. Baker is likely to take back from his week-long tour of 14 countries is that whatever strategy toward Moscow comes out of the policy review being conducted by the Bush administration, it should include a plan for winning the support of a Western European public opinion in the grip of "Gorbachev fever."

Turkey Backs NATO Plan

Mr. Baker flew to Greece on Tuesday for talks with Prime Minister Andreas Papandreu after gaining Turkey's approval for upgrading NATO battlefield nuclear missiles. The Associated Press reported from Athens. A senior U.S. official said that Prime Minister Turgut Ozal of Turkey had offered his support when Mr. Baker made a brief stopover in Ankara.

WORLD BRIEFS

U.S. Sees New China-Iran Arms Deal

WASHINGTON (LAT) — U.S. officials say there are indications that China has offered to sell Soviet-made anti-aircraft missiles to Iran, despite Beijing's repeated assurances to the United States that it would stop doing so.

The Silkorms are viewed as a potential threat to shipping in the Gulf. In 1987, the United States temporarily froze the liberalization of high-technology sales to China to protest its sale of the missiles to Iran. The freeze was lifted after China promised halt such sales.

If China went forward with any new sale, it could pose a complication for Chinese-American relations at a delicate time. President George Bush is planning to visit China later this month, and President Mikhail S. Gorbachev is scheduled to travel to Beijing in May.

Iran Plans 'Heavy' Term for Briton

NICOSIA (AP) — Roger Cooper, 52, a British businessman jailed in Iran for more than three years on spying charges, has been given a "heavy" sentence, the Iranian news agency, IRNA, reported Tuesday. The report, monitored in Nicosia, did not specify the sentence against Mr. Cooper, who had worked in Iran for more than 30 years. It said the final terms of the sentence were being worked out.

The Iranian intelligence minister, Mohammad Reza Shariati, made the announcement in the course of a statement confirming that 2,600 political prisoners would be released from Iranian jails as part of an amnesty. He said Mr. Cooper had confessed to spying and that "nothing could halt this case." Britain has strongly protested Mr. Cooper's detention.

25 Killed in Sri Lanka on Eve of Vote

COLOMBO (AP) — At least 25 persons were reported killed on the day before the first general election in Sri Lanka for 12 years, and political parties appealed jointly for peaceful voting when the polls open Wednesday.

The police said that 13 candidates and about 350 political activists had been killed in the last four weeks. Voters will be electing a 225-seat parliament.

Nine political parties and an independent group issued a joint appeal to voters Tuesday to "refrain from any acts of violence before, during and after the election." They also urged people to disregard threats or acts of intimidation as they cast their ballots. Results of the election are expected to be announced Thursday.

North Judge Rejects Secrets Proposal

WASHINGTON (Reuters) — The judge in the Iran-contra case said Tuesday he doubted that Oliver L. North, the former White House aide, could get a fair trial under a new proposal for handling national security secrets in court.

The proposal was a compromise between the Bush administration and the independent prosecutor in the case, Lawrence E. Walsh. Judge Gerhard A. Gesell did not specifically rule on it but made clear his views and said he would await a decision by the U.S. Supreme Court, which plans to take up the matter on Friday and decide whether the North trial can go forward.

If the judge had accepted the compromise, the trial could have continued immediately. Judge Gesell criticized the administration and Attorney General Dick Thornburgh, who intervened in the case at the last minute as the jury was being selected. Mr. Thornburgh asked to be allowed to object to the disclosure of nine broad categories of national security secrets and to bar the release of such information.

TRAVEL UPDATE

A storm with winds of up to 150 kilometers (95 miles) an hour wrought havoc in the northern British Isles, police and local authorities said Tuesday. The meteorological office in London said it was heading for Norway and the Netherlands. (AP)

British Airways said a small temperature rise in the right-hand engine of a Boeing 757 triggered a fire warning light that prompted the pilot to shut down the engine on its approach to Heathrow airport Tuesday. (AP)

WEATHER

EUROPE				ASIA			
	HIGH	LOW	PRECIP.		HIGH	LOW	PRECIP.
Algeria	18	8	F	Bangkok	28	22	T
Austria	12	4	F	Beijing	12	4	F
Berlin	10	4	F	Bombay	28	22	T
Bombay	28	22	T	Buenos Aires	22	16	F
Bonn	10	4	F	Calcutta	28	22	T
Boston	10	4	F	Chengdu	18	12	F
Buenos Aires	22	16	F	Chongqing	18	12	F
Calcutta	28	22	T	Dacca	28	22	T
Chengdu	18	12	F	Delhi	28	22	T
Chongqing	18	12	F	Hankow	18	12	F
Dacca	28	22	T	Harbin	12	4	F
Delhi	28	22	T	Hong Kong	22	16	F
Hankow	18	12	F	Kobe	18	12	F
Harbin	12	4	F	London	10	4	F
Hong Kong	22	16	F	Los Angeles	22	16	F
Kobe	18	12	F	Manila	28	22	T
London	10	4	F	Medan	28	22	T
Los Angeles	22	16	F	Osaka	18	12	F
Manila	28	22	T	Perth	18	12	F
Medan	28	22	T	Rangoon	28	22	T
Osaka	18	12	F	Seoul	12	4	F
Perth	18	12	F	Singapore	28	22	T
Rangoon	28	22	T	Taipei	18	12	F
Seoul	12	4	F	Tokyo	18	12	F
Singapore	28	22	T				
Taipei	18	12	F				
Tokyo	18	12	F				

WEDNESDAY'S FORECAST — CHINA: Harbin: High 12, Low 4, Partly cloudy. Beijing: High 12, Low 4, Partly cloudy. Shanghai: High 18, Low 12, Partly cloudy. Seoul: High 12, Low 4, Partly cloudy. Taipei: High 18, Low 12, Partly cloudy. Tokyo: High 18, Low 12, Partly cloudy. HONG KONG: High 22, Low 16, Partly cloudy. KOREA: Seoul: High 12, Low 4, Partly cloudy. JAPAN: Tokyo: High 18, Low 12, Partly cloudy. OCEANIA: Perth: High 18, Low 12, Partly cloudy. RANGOON: High 28, Low 22, Thunderstorms. SINGAPORE: High 28, Low 22, Thunderstorms. THAILAND: Bangkok: High 28, Low 22, Thunderstorms. VIETNAM: Hanoi: High 18, Low 12, Partly cloudy. Ho Chi Minh City: High 28, Low 22, Thunderstorms.

SOVIET: A New Mentality Emerges as Pullout Ends

(Continued from Page 1)

subjects. Soldiers talked about it when they came home on leave. Mothers agonized over the fate of their sons. Rumors about casualties spread quickly.

Some Soviet commentators argue that Mr. Gorbachev was making a gesture toward public opinion when he decided, soon after coming to power in 1985, to extricate the Soviet Union from Afghanistan.

Others maintain that political and economic factors were paramount in the decision to withdraw. "This is the first time that public opinion has been taken into consideration on a foreign policy issue by the Soviet leadership," Mr. Bogdanov said.

"For a large country like ours, 15,000 casualties are not so many. It's the equivalent of one day's losses during the Battle of Stalingrad. But it's extremely significant that even this number of dead has become politically unacceptable."

Viktor Yerefev, a Moscow literary critic, counters, "You can't speak of public opinion in the Soviet Union. Ordinary families were against the war. Parents would phone anyone influential they knew to prevent their sons from being drafted. But this opposition did not come out into the open."

Arguments about the role of public opinion will continue. What is clear is that the Kremlin's need to justify its dramatic change of course has given rise to a belated foreign policy debate that could make Afghanistan-style ventures more difficult in the future.

In order to prepare the country

for the troop withdrawal, Communist officials allowed filmmakers and journalists to portray the war in its real colors. Over the last two years, Soviet newspapers have carried increasingly graphic accounts of the fighting, and much attention has also been paid to the problems faced by the Afghans after their return home.

One recent documentary film, "Return," includes stark footage of burned-out trucks, abandoned tanks and other detritus of war. It paints a generally negative picture of the impact of the war on ordinary citizens.

"I was in a surgical ward," one veteran says in the film, starting into the camera with a blank face. "I saw healthy boys without legs, without arms. The war has turned our boys into cripples, and what's more, it has left our society crippled. People who return from that war are moral cripples."

Another former conscript says, "I feel I want to smash everything. In Afghanistan, everything seemed easy, everything was clear. Here, nothing is clear at all."

In "Pain," another documentary film, coffins are shown being unloaded from military planes, crippled soldiers hobbling back home and mothers weeping over their sons' graves. The hero, Sasha Kostakov, says that he did not know how to shoot when he was sent to Afghanistan and had no idea whom he was meant to be fighting.

"I don't believe in anything any more," Mr. Kostakov says in the film. "The newspapers say one thing today, another thing tomorrow."

row. I don't believe in anyone any more because I encountered lies whenever I turned. The director of "Pain," Sergei Lukyanichuk, said, "The war changed our psychology. It helped perestroika. People often ask me why you never hear about the bosses' kids being killed in Afghanistan. The reason is that they weren't sent there. It was a war for the people."

A more orthodox political message was contained in a recent three-part feature film titled "We Paid Our Dues," which was screened on nationwide television last month. It stars a group of heroic veterans, who, after fulfilling their internationalist duty in Afghanistan, return home to fight corruption, organized crime and economic inefficiency.

In the Soviet Union today, a struggle is under way for the hearts and minds of returning Afghans. It is being fought between progressives and conservatives and, in the long run, could prove just as significant as the Kremlin's nine-year struggle for the hearts and minds of the Afghans.

Addressing a group of Afghans at a Moscow meeting to discuss creation of an independent veterans' organization, Gennadi Orlenko, a young Soviet journalist, said: "There are many officials who are trying to make a career out of your fate; we shouldn't have anything to do with their little bureaucratic wars."

The veterans' group will hold its inaugural meeting this weekend. Its founders see it as a political counterweight to official committees formed under the aegis of the Komsomol, the Communist Party youth organization. "The official committees place too much emphasis on military-patriotic education," Mr. Orlenko said. "When you go to their meetings, you get the impression that another war is about to break out tomorrow."

Young, bursting with energy and frequently harboring a sense of grievance, the Afghans are easy prey for political demagogues. There have been reports of groups of Afghans roaming the streets of Moscow and Leningrad, beating up "punks" and "pacifists." Leaders of the extremist Russian nationalist organization Pamyat are reputed to employ Afghans as bodyguards.

The nihilism of some Afghans has been captured in a short story in the literary magazine *The Urals*. Titled "He Was My Best Friend," it tells how one Soviet soldier serving in Afghanistan "liked to burst into people's homes, smashing the locks with his gun butt and kicking open the dilapidated doors."

"Simply to stand in the middle of the little street near the noisy assortment of shops, his feet firmly planted and his fingers gripping the cold metal of his submachine gun. To feel the peasants' fearful glances at him. There was something rapacious, intoxicating about this," wrote the author, Oleg Khudakov. But for every "moral cripple," such as the one described in this story, there appear to be many more Soviets who are heartily sick of the war. A number of people interviewed recently said they were ashamed that the Soviet Union had lost its "peace-loving" image as a result of Afghanistan.

"Afghanistan helped us understand which side of the barricades we were on," said Mr. Lukyanichuk, the filmmaker. "It helped form public opinion. My children don't want other people to think of us Soviets as bears, as men with guns in their hands."

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6 Czechs Escape Without Pursuit

The Associated Press

VIENNA — Six Czechoslovaks fled to Austria over the weekend without interference from border guards and asked for political asylum, the Austrian police reported. The report raised speculation Monday that the Czechoslovak authorities may have changed their attitude on defections. In the past, defectors have been pursued by border guards and have been shot at.

A spokesman in the London office of Viking-Penguin, Mr. Rusdie's publisher, said that it had not yet been decided whether Mr. Rusdie would begin a scheduled tour of the United States next week to publicize his book.

In a statement, the publishers said: "Neither we nor the author of this novel published the book with intent to offend. We very much regret the distress the book has caused. Our publication of 'Satanic Verses,' a highly imaginative

Rome Sees Continuing NATO Slight

By Clyde Haberman
New York Times Service

ROME — Defense Minister Valerio Zanone charged Tuesday that NATO consistently slighted Italy and other Mediterranean members, paying more attention to the problems of central and northern Europe.

Mr. Zanone pointed to an Italian admiral's being bypassed recently in favor of a Norwegian general, Vigleik Eide, to hold the alliance's top military position. He said that no officer from Italy, Turkey, Greece or Spain had been tapped for the post since its creation in the early 1960s.

"It is almost 30 years," he said. "This could make one think, or at least give one an impression, that the problems of the southern region are considered secondary compared to those of the central region."

"If this is so, we have to find a more balanced vision of reality, because in coming years the real problems will stem from the degree of stability that exists in the Mediterranean."

One way for the alliance to show its interest, Mr. Zanone said, would be to name a senior military officer from this region to a high-level post.

Italy is especially sensitive because it considers itself more responsive to perceived NATO needs than many of the alliance's 15 other members. In recent years, the Italians have accepted to requests that they accept U.S. cruise missiles, send patrol ships to the Gulf and permit the transfer of 72 U.S. F-16 fighter bombers that had been ordered out of Spain.

But the country's rate of defense spending, two percent of its gross national product, is among NATO's lowest, leaving Italy vulnerable on the issue of "burden-sharing," — the catch phrase for Washington's demands that its allies carry more of the military load.

Mr. Zanone warned, however, that sharp spending increases were unlikely at a time when the Italian government is looking to cut social services and other programs to gain control over budget deficits that exceed 11 percent of the gross national product — more than three times the U.S. level.

BOOK: Khomeini Orders Killing

(Continued from Page 1)

Home Secretary Douglas Hurd had no immediate plans to meet Moslem leaders.

But the Press Association said that Scotland Yard would "almost certainly" give Mr. Rusdie armed protection if he requested it and that a team of armed officers were likely to be assigned to accompany the author. Special branch officers will also increase surveillance on Moslem fundamentalist groups in London and the United Kingdom.

Sayed Abdul Qudus, secretary of the Council of Mosques in the northern England city of Bradford, said he led last month's public burning of the novel and vowed to act on Ayatollah Khomeini's order. The Associated Press reported from London, "If a good Moslem is after his life, I am a family man but I would sacrifice mine," he told reporters.

But Mohammed Ebrahima, a member of the United Kingdom Action Committee on Islamic Affairs, distanced himself from Ayatollah Khomeini's call. "No, no, no. We disagree with that," he told the BBC. He said he believed the book was blasphemous but that protests should be peaceful.

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In a statement, the publishers said: "Neither we nor the author of this novel published the book with intent to offend. We very much regret the distress the book has caused. Our publication of 'Satanic Verses,' a highly imaginative

work of fiction by one of the world's leading writers, rests upon the principle of freedom of expression, which is the cornerstone of all democracy. We are appalled at the tragic loss of life that has already occurred and deplore calls to further violence."

Mr. Khomeini's statement came amid a wave of protests and attempts to ban the book.

On Sunday, a mob of thousands of enraged Moslems tried to enter and destroy the U.S. cultural center in Islamabad, Pakistan, because Mr. Rusdie's book is being published in the United States. The attack left five people dead and more than 100 people wounded, and another person died in similar disturbances in India the following day.

Moslems in Britain burned copies of the book last month, and W. H. Smith booksellers withdrew it from public display in Bradford, a city in the north that has a large Moslem community.

Mr. Rusdie, himself a Moslem, took the novel's name from the verses about three female gods that the prophet Mohammed expunged from the Koran as satanically inspired.

Laced with mystical allusion, the 550-page book explores life in Britain and India, their past colonial relationship, and the clash of Eastern and Western cultures.

The Iranian government condemned the book as "a dirty conspiracy" against Islam and urged followers of Mr. Khomeini around the world to take the necessary action against it.

A government statement on Tehran radio called for calls of Hezbollah — a grouping of devotees of the Ayatollah, with a branch in Lebanon that is believed to be holding some of the Western hostages — to take "necessary steps to neutralize this plot."

"We call on all Hezbollah cells in the world of Islam to grasp the depth of this black conspiracy," the statement said.

AMERICAN TOPICS

Editors Who Write

Find It Eye-Opening

Book publishers and their chief editors who turn to writing and manage to get their books published by outside companies tell varying tales about the experience. The New York Times reports, "The oddest thing," said Richard Mark of E.P. Dutton, "was how little objectivity one has about one's own writing." He submitted his manuscript under a pseudonym and received eight rejections before it was accepted. "I'm now faster at returning manuscripts," he said.

Marty Asher of Vintage Books said writing a novel made him more admiring and more forgiving of other authors. Michael Korda of Simon & Schuster said that now, "I can understand going to a bookstore and not finding your book, going to sign books and not having anybody there, sitting in front of a typewriter every day and realizing you have to fill a sheet of paper when you don't have anything in mind."

Why go to outside publishers? Because otherwise, said Howard Kaminsky of the Hearst Trade Book Group, "if the book was a failure, people would say, 'Well, the only reason they published it was because he was president,'" and even worse, a successful book would have other authors saying, "He's spending all his time on his own book."

Governor Thomas H. Kean of New Jersey, a former prep school history teacher, will become president of Drew University, a 2,000-student liberal

arts school at Madison, New Jersey, when his second four-year term expires Jan. 16, 1990. Governor Kean, 53, a Republican, is barred by the state constitution from seeking a third term.

"Trump, the Game," promoted by the real estate magnate Donald J. Trump himself, is something like Monopoly but the smallest denomination bill is \$10 million. Mr. Trump said the game puts a premium on skill. "I didn't want a game based solely on chance," Mr. Trump said. He said it permits you to learn "from a game instead of having to go out and lose your shirt." Profits from the \$25 game will go to research on AIDS and other problems.

Short Takes

Applications for admission to renowned private colleges are down substantially this year, while applications to public institutions are slightly higher. Harvard and Brown are down about 8 percent; California's state university system is up about 1 percent. Educators say the continued decline in the number of 18-year-olds is the main reason; their number peaked at 3.2 million in 1977 and will drop to 2.5 million by the early 1990s. Other factors: over-rising tuition, a drop in the number of multiple applications and a growing tendency among high school graduates to apply only where they have a reasonable chance of acceptance.

New Milford, Connecticut, is feuding over a telephone booth on its 18th-century village green. The pro-phone mayor, Stuart Halpin, shrugs off charges of desecration, pointing out that the green started as a pig wallow. Nor is it pristine even today: the green also features trash cans, concrete benches, a bandstand, a World War I tank and several monuments to war veterans. But preservationists are planning petition drives. They can hardly be shrugged off. In 1987, residents successfully petitioned the town council not to pave several dirt roads prized for their rusticity.

Arthur Higbee

U.S. Army Misses A Recruiting Quota

By George C. Wilson

WASHINGTON — The Army for the first time in eight years has not been able to sign up as many men and women as it needs, signaling harder times ahead in filling the ranks of the all-volunteer military and perhaps the end of a brief golden age of recruiting.

Lieutenant Colonel John Cullen, spokesman for the Army Recruiting Command, said Monday that recruiters were not able to reach the goal of signing up 24,143 volunteers for the last quarter of calendar 1988. He attributed this first shortfall since 1980 to a declining population of young people and to a smaller recruiting budget.

Although the shortage was only 471 people for the period of October through December, manpower specialists have been warning that the problem will get worse before it gets better. The number of men and women 18 through 24 years of age will continue to decline through 1996, according to Census Bureau projections.

Major General Don Jones, the Pentagon's manpower chief, said the crunch would be especially severe in the army and navy, because the air force and Marine Corps traditionally have a less difficult time in meeting their goals. So far, only the army has fallen short.

Much of the rest of the industrialized world also confronts a declining youth population in this decade. West Germany's shrinking draft-age population is of particular concern to North Atlantic Treaty

Organization leaders. The combined West German Army, Navy and Air Force strength of 495,000 men is at the heart of European defense, but the country is struggling to maintain that number, largely because of the dwindling supply of young people.

The West's declining manpower pool adds impetus to the political drive to negotiate mutual troop reductions by NATO and the Warsaw Pact. It coincides with the policies of the Soviet president, Mikhail Gorbachev, which have reduced tensions. Together, the developments are making it harder for politicians to convince their citizens that military spending should not be cut.

Retired General E.C. Meyer, former army chief of staff and NATO specialist, recently predicted that this combination would cause President George Bush to withdraw some U.S. troops from Europe during his first term.

Tougher recruiting has forced the army, the largest of the U.S. services with an active force of 772,000 men and women, to accept lower-quality volunteers.

Colonel Cullen said 10.8 percent of army volunteers from October through December 1988 were in the lowest acceptable mental category, Category Four. This is more than twice the 4 percent level of recruits who were in Category Four in the three fiscal years 1986 through 1988. Colonel Cullen predicted that 8 percent of the volunteers would be in Category Four during fiscal 1990.

Bush Resists Call In Congress for Budget Details

The Associated Press

WASHINGTON — The U.S. administration held fast Tuesday against demands from Democrats in Congress that it come up with more details to cover gaps in President George Bush's budget plan for next year.

Mr. Bush's press secretary, Martin Fitzwater, said spending cuts for fiscal 1990 would have to be the product of negotiations with Congress. "This budget is alive and is an active force subject to change in negotiation and discussion," he said.

Mr. Fitzwater indicated that the administration did not plan to issue proposals for more specific cuts beyond those proposed in the blueprint for the fiscal year.

Some congressional Democrats have contended that the \$1.16 trillion budget enables him to get credit for proposing more spending on social programs such as child care, education and environmental cleanup — while making sure Congress shares the responsibility for cuts to help pay for these programs.

Mr. Bush's budget, apart from proposing a freeze on military spending at the rate of inflation, was vague on where other specific areas of spending would be restrained to meet deficit targets.

Bush Says Administration Should Discuss Gun Control

United Press International

WASHINGTON — President George Bush said in an interview published Tuesday that his administration should be "talking about" the availability of assault-style weapons but that it should be left to local jurisdictions to enforce current laws.

Calls have arisen around the nation for laws banning semiautomatic weapons such as the AK-47 used in the Jan. 17 attack that left five children dead in California.

"Have you given any thought to what can be done about that?" Mr. Bush was asked by The Wall Street Journal. "To enforce the law would be a good thing to do about it," he responded.

Mr. Bush, a member of the National Rifle Association, which has opposed gun-control, said that "different communities and different states have different penalties."

Asked if it might be time for some sort of nationwide ban on certain weapons, Mr. Bush replied, "How do you define what they are? We should be talking about it."

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President Bush talked pass-catching technique with Representative Jack F. Kemp, left, a former professional football quarterback, and Joe Gibbs, right, coach of the Washington Redskins team, after swearing in Mr. Kemp as secretary of housing and urban development.

Delayed Tower Decision Hurts Pentagon

By Andrew Rosenthal

New York Times Service

WASHINGTON — With the nomination of John G. Tower as secretary of defense in doubt, critical policy decisions at the Defense Department are being put off, especially those on how to cut its budget, officials say.

The Pentagon is now in its fourth week without a civilian leader, and it faces at least two more such weeks while the White House and the Senate struggle over Mr. Tower's nomination.

Decisions on personnel and a broad review of strategy ordered by President George Bush have been postponed, the officials said. They were most concerned about the budget for the next fiscal year, saying that if Mr. Tower was not confirmed soon the White House would force cuts on the Pentagon.

"The feeling is that Brent Scowcroft and Richard Darman will make the decisions and then feed them to the Pentagon because of the vacuum in the top office at this point," an official said, referring to the national security adviser and the director of the Office of Management and Budget.

Mr. Tower, a former Republican senator from Texas, has been involved in budget negotiations at the White House, but his authority over the process will be severely hampered as long as he is not yet in office.

"It's ludicrous," a military officer said. "People are actually talking about a budget, about cutting \$7 billion out of the budget, and we don't even have a secretary of defense."

[The White House will not meet Wednesday's deadline, set by Congress, for deciding whether to continue building MX missiles or to switch to the smaller, single-warhead Midstman missile. The Associated Press reported Tuesday from Washington.]

"We are reviewing the entire strategic posture of the country and it is logical and necessary that we postpone this major decision until the review is complete," the White House press secretary, Martin Fitzwater, said.

[He denied that Mr. Tower's stalled confirmation process had been a factor in delaying the missile decision. "He's in on much of the review," Mr. Fitzwater said.]

Deputy Defense Secretary William H. Taft 4th has been acting secretary since Frank C. Carlucci resigned Jan. 20, but Pentagon officials said that Mr. Taft played largely a caretaker role at the Pentagon.

Administration officials said that Mr. Tower had been able to influence decisions relating to national security but that the process was cumbersome and depended on his unofficial inclusion in cabinet meetings.

"Tower and his staff are consulting on the budget and feeding their views to the White House," a senior official said. "Then the marching orders come back from the White House through Will Taft and are distributed to the services. I'm not going to say it's business as usual, but at least we are open for business."

Senator Malcolm Wallop, the Wyoming Republican, said: "The Defense Department is not a player in any of the cabinet decisions. They're not a player in their own budget. They're not a player in the foreign policy decisions. They're not a player in the intelligence decisions."

Pentagon officials said the minimal office work and administrative business mandated by law was continuing. Such business is controlled by civil servants or by uniformed officers whose careers do not depend on Mr. Tower's fate.

But Pentagon officials said the budget was the big concern. Military officers and civilian officials have expressed fear that without a secretary of defense the process of trimming the \$315 billion budget for this year that was bequeathed by President Ronald Reagan and Mr. Carlucci.

They said that among the other decisions still pending were whether cuts would be made uniformly or in only some programs and whether the armed forces would decide themselves how to put budget reductions into effect.

Apart from the budget, Pentagon officials said the review of strategic priorities and strategies planned by the Bush administration had not started, although Mr. Tower has consulted with cabinet members about it.

Administration Bane: Stalled Appointments

By Ann Devroy

Washington Post Service

WASHINGTON — Almost three weeks ago, the secretary of commerce-designate, Robert A. Mosbacher, frustrated by a seemingly endless morass of negotiation, counter-negotiation and delay over senior appointments in his department, had had enough.

Administration sources said Mr. Mosbacher "went ballistic" during a meeting with the White House chief of staff, John H. Sununu, complaining that the White House personnel director, Chase Untermeyer, had set up an operation so slow and cumbersome that it would be weeks, if not months, before any key policymakers were in place at the Commerce Department.

Mr. Mosbacher's anger was justified. Although a list of potential nominees for subcabinet posts at Commerce was produced two weeks ago, no one on it has been formally nominated. Of the more than a dozen senior policymakers who must get Senate confirmation, only one has gone through the process and is in place — Mr. Mosbacher.

Across the administration, the Commerce case is the rule. Much of the government is being run on a day-to-day basis by Reagan administration holdovers. Some cabinet officers have put their top aides on the payroll as "consultants" as they wait the system out.

Compared with the Reagan administration, which had more than 100 policymakers formally nominated or confirmed at this point eight years ago, the Bush administration has no officials confirmed below cabinet rank and has sent the names of only six subcabinet officers to the Senate.

The White House personnel office is at least nominally responsible for about 750 cabinet and subcabinet posts, 1,300 or so senior management posts in various agencies and independent regulatory groups, 40 or so ambassadorships, plus numerous appointments to boards and commissions.

Mr. Untermeyer said that much of the delay in getting nominees in place is due to more thorough FBI background checks. He said that about 130 potential nominees are in one stage or another of FBI checking. "That's the logjam," he said.

Complaints about White House personnel operations come with each resignation. Six months into Ronald Reagan's first term, E. Pendleton James, the personnel director, was the subject of numerous reports of delay and lack of ideological commitment.

A professional recruiter by training, Mr. James set up one of the most sophisticated computer systems and recruitment operations seen at the White House. It was roundly criticized for being right for business but wrong for government and politics.

For most of them, he said, "it is not a comfortable concept." Norway gives Nicaragua about \$16 million a year in aid. Among the other North Atlantic Treaty Organization allies, Denmark, Italy, France and Spain also have significant aid programs, consisting almost entirely of food and other humanitarian help.

A total of \$94.3 million in West European aid reached Nicaragua last year, U.S. officials said. The immediate response from the Danish and Norwegian governments was cool, a U.S. official acknowledged.

"For most of them," he said, "it is not a comfortable concept." Norway gives Nicaragua about \$16 million a year in aid. Among the other North Atlantic Treaty Organization allies, Denmark, Italy, France and Spain also have significant aid programs, consisting almost entirely of food and other humanitarian help.

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González Pledges No Policy Change

By Sarah Nicholson

International Herald Tribune

MADRID — Prime Minister Felipe González issued a stern warning to unions Tuesday that his government would not backslide in its economic policies even at the cost of losing popular support.

Mr. González, in a state of the nation address to the lower house of parliament, said that giving in to union demands for higher spending on social reforms would boost his popularity but he asserted that "the issue is too important to play electoral games."

His speech gave a clear signal to Socialist and Communist union leaders that he is ready to keep his anti-inflation goals on course.

Unions have called for a "social shift" in the government's business-oriented economic policies which have led Spain to prosperity but have failed to curb an unemployment rate of 19 percent, the highest in Western Europe.

Mr. González underscored the success of his policies, based on wage moderation and limited public spending, in giving Spain an average growth rate of more than 4.5 percent of the last three years.

He singled out the Socialist-led General Workers Union, which has century-old ties with his Spanish Socialist Workers party, as "entering a dynamic of confrontation" in its demands for higher public sector employment and pensions.

In making no overtures for a truce with the union, Mr. González appeared prepared for a definite split with the union.

The experience of the last few months shows that the unions "do not care how much money is available or where it comes from," he said, adding that his government would not increase the public debt.

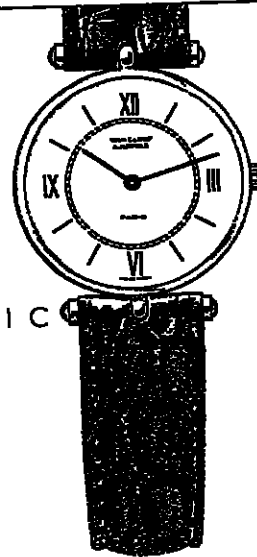
In six rounds of talks since a strike Dec. 14, union and government negotiators have failed to reach an accord on how much the government should spend on job creation. Negotiations collapsed last week when the unions demanded that the government offer \$3.2 billion to be spent this year rather than the 1989-90 timetable offered by the Socialists.

The unions warned that they would continue protest actions in coming months.

Some political observers had expected Mr. González to offer a package of welfare reforms, including low income housing and improved public health service, to undercut the unions' bid to spearhead social change.

About eight million of Spain's 12 million-strong labor force responded to the strike call but even government officials conceded that the success of the action expressed a deeper discontent over Socialist rule.

Public opinion polls show a low in the governments popularity. A survey in the newswatch Cambio 16 late last month showed that voter support for the Socialists had fallen from 44.6 percent in the 1986 elections to 35.1 percent.



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MINISTER FOR THE ENVIRONMENT
NEW SOUTH WALES
AUSTRALIA

INVITATION TO TENDER
REVIEW OF SYDNEY'S BEACH PROTECTION PROGRAMME

Tenders are invited from Consultants with specialist expertise in sewage treatment and disposal technology to conduct a review of the suitability and effectiveness of the strategy for protecting Sydney's beaches and ocean environment from sewage pollution. The strategy involves construction of three long-range, deepwater ocean outfalls, upgrading treatment plants, trade waste controls and a comprehensive environmental monitoring programme.

GENERAL TERMS OF REFERENCE FOR REVIEW

The general terms of reference of this review are as follows:

- Review the alternative options to the Water Board's Beach Protection Programme, and their costs.
- Review the predicted performance of the Board's Beach Protection Programme, including environmental effects, in relation to acceptable criteria.
- Review the engineering options and costs for possible future treatment plant upgrades at the North Head, Bondi and Malabar plants.
- Review the proposed operating and environmental monitoring practices.

SCHEDULE FOR REVIEW

- | | |
|-------------------------|----------------------------|
| 5 pm on 3rd March, 1989 | Receipt of Tender Offers |
| 17th March, 1989 | Award of Tender |
| 4th September, 1989 | Submission of Draft Report |
| 29th September, 1989 | Submission of Final Report |

FORMAL AGREEMENT

The successful tenderer will be required to enter into a formal agreement based on the tasks and rates nominated in the accepted Tender Offer.

LODGING OF TENDERS

Tenders should be lodged with: Hon. T. J. Moore, Minister for the Environment, Level 9, Legal and General House, 8-18 Bent Street, Sydney 2000, Australia on or before (5 pm) 3rd March, 1989.

FURTHER INFORMATION

The detailed Terms of Reference for the review, together with information for Tenderers can be obtained from the following:

New York: Mr. Chris Hurford, Australian Consulate General, International Building, 636 Fifth Avenue, New York, NY 10111, U.S.A. Fax: (212) 265 4917. Telephone: (212) 245 4000.
San Francisco: Mr. David Rutter, Australian Consulate General, Qantas Building, 380 Post Street, San Francisco, CA 94108-4979, U.S.A. Fax: (415) 986 5440. Telephone: (415) 362 6160.
London: N.S.W. Government Office, 66 Strand, London, WC 2N 5LZ, U.K. Attention Mr. Tom McKee. Fax: 839 5331

ADDITIONAL INFORMATION

Additional information to that contained in Terms of Reference and Information for Tenderers can be obtained from: Mr. Peter Dalglish, Planning Manager, Water Board, PO Box A53, Sydney South 2001, Australia. Fax: (02) 267 2138. Telephone: (02) 269 6080.

Hon. T. J. Moore, M.P.
Minister for the Environment,
New South Wales Government,
Australia

David Harley,
Chairman, Water Board,
New South Wales,
Australia

Herald Tribune

Published With The New York Times and The Washington Post

Better Than a Lottery

The State Department is going to hold a lottery next month. There are no cash prizes, but the winners will be the envy of millions around the world. The prizes are 20,000 immigrant visas that will enable the winners to come to the United States and eventually become citizens. There are no special qualifications for the visas — no special skills needed, no relatives already in America — only a requirement that the immigrant meet general standards relating to health and absence of criminal record. Three years ago a similar lottery was held, and 1.4 million people applied for the 10,000 visas. That time the winners were chosen on a first-come, first-served basis. Now the winners will be chosen at random by computer. Half the visas will be awarded in 1990 and the rest the following year.

The lottery is a temporary device to address a long-standing problem. The United States already admits hundreds of thousands of immigrants every year, of course. But the law grants preferences to close family members of those already in America, with the result that 95 percent of all visas go to a relatively small group of people related to recent immigrants. Two regions of the world get 85 percent of all visas, and there are not enough available for those

who would like to come — even those with special skills that America needs — who do not have family connections. The lottery would open up opportunities for this group, since the rules exclude applicants from the dozen or so countries that already send more than 5,000 immigrants a year.

There is a better, more orderly way to do this. Senators Edward Kennedy and Alan Simpson, who lead the Senate immigration subcommittee and have long experience in this field, have introduced legislation to revise current law. Their bill last year, which was passed by the Senate, but not the House, would increase the total number of available visas by 100,000 a year and allocate 55,000 of these to applicants designated as "independent immigrants." They need have no family ties in America. Their applications would be judged on a point system that would take account of such factors as education and skills. The Kennedy-Simpson bill incorporates other reforms as well, but maintains an emphasis on reuniting families. It is a needed reform that broadens the immigrant applicant pool in a way that would greatly benefit the United States. Both houses of Congress should pass this year.

— THE WASHINGTON POST.

Government by Black Boxes

Has Congress abdicated too much responsibility to special blue-ribbon commissions? Have elected officials become addicted to extracurricular devices that shield them from tough choices?

People who answer "yes" were openly delighted last week when public pressure forced Congress to back down on a pay increase recommended by an independent panel. That was well-deserved punishment, some said, for Congress's decision to cover behind a special commission.

But it would be wrong to conclude from the pay fiasco that independent commissions are inevitably confessions of cowardice or intrinsically undemocratic. The reality is more complex.

Some commissions are plainly designed to operate as magical black boxes: insert the politically explosive political problem in one end; receive an expert report, insulated by blue ribbon, at the other. Presto! Cover for Congress. Other commissions, however, represent a valid effort to find answers to national needs that cannot easily be solved in the cockpit of a messy, divided and feverishly partisan political system.

Presidential commissions have been around for years, some appointed to divert pressure from the White House, others to must expert knowledge. What's fairly new is the proliferation of commissions intended to help Congress. In the Reagan era, special panels were asked to address Social Security, obsolete military bases, Federal criminal sentencing, nuclear missiles, Central America and the budget deficit.

Since these issues are properly the concern of those elected to govern, critics complain that commissions add an unnecessary and, worse, unaccountable layer to government. By their very nature, says the historian James MacGregor Burns, commissions exercise a "pernicious influence" because they obscure responsibility.

Some in Congress, smarting from the pay fiasco, agree: "I've decided I'm not going to vote for any more of those commissions," Representative James Slattery of Kansas said last week. "Members of Congress are elected to make decisions."

Noble sentiments, but too quick a capitulation. Indeed, twice in the last five years commissions have helped the government find sensible solutions that might have been unreachable if left to the rough and tumble of the political arena. And neither panel trampled the public will.

One was the bipartisan panel established in 1983 to address the cost crisis in Social

Security. Its underlying political purpose was to insulate both President Ronald Reagan and the Democratic Congress from unpopular choices — increasing taxes or cutting benefits. Its members debated ferociously. Yet in the end, their work expedited a compromise that raised taxes and, arguably, saved the system.

The second was the commission on closing military bases. Without it, the White House and Congress might have been paralyzed once again by complaints from local communities. The commission created a list of bases that would close unless Congress explicitly objects. That's unlikely; case and base closed.

What made both commissions work was the certainty that something had to be done, and the equal certainty that nothing would be done if special interest groups were allowed to flex their muscle. Was that undemocratic? No, says R. Kent Weaver of the Brookings Institution. "The commission device is least harmful to democratic values when there is already a high degree of consensus for change, combined with an urgent fear of the power of parochial interests."

In short, everyone knew that Social Security had to be saved and bases closed. The trick was to convert a shared need into reality; for that the special commission became an indispensable device.

Such commissions cannot work magic without consensus. The Sowerth commission on the MX missile produced a challenging document but no lasting compromise. The Kissinger commission on Central America had no chance of reconciling the differences between those who sought a military solution in Central America and those who preferred diplomacy.

What happened to the commission on federal pay? Its recommendations met at least part of the consensus test: a pay increase for congressmen, judges and other officials is clearly overdue. But there was no sense of crisis outside Washington. Voters lose little sleep over representatives who make \$89,000 a year.

The outcome was distressing. For one thing, it punished thousands of federal judges and executive branch employees whose incomes have been steadily eroded by inflation. But even this verdict provides perverse evidence that, despite all the qualms about commissions, they must still meet key tests of democracy — and thus seldom frustrate the popular will.

— THE NEW YORK TIMES.

Life After the Contras

The Contras lost their funding and their capability as a military threat a full year ago. Not one for lost causes, the Bush administration is most unlikely to turn up the Contras again as a fighting instrument. Honduras, furthermore, now is anxious to unload its 12,000 resident contras and accept border controls. With the contras thus dissolving, the Sandinistas have entirely lost the national security rationale they invoked to avoid their commitment to democratize under the Central American peace plan. But of course they are also spared the military pressure that pushed them into the Arias plan in the first place. Is there a prayer for democracy in Nicaragua?

The Central American presidents, gathered in El Salvador in a last-dance mood, are seeking a way. Nicaragua's Daniel Ortega, proud to have survived Ronald Reagan's efforts to effect that he be left to his own devices. But if the Latinos are serious about containing the outward thrust of the one country in the region whose army and ideology threaten them, they will stiffen. Nearby El Salvador is a better example.

At this very moment, El Salvador's parties are wilyly exploring the FMLN guerrillas' offer to respect the results of official elections, if changes are made to ensure fairness to the challengers. Precisely the same basic

formula, adjusted for circumstances, makes sense in Nicaragua: changes to ensure electoral fairness to the challengers. The overwhelming and unfair feature of the current political situation in Managua is that the Sandinistas are a party with an army — the country's one army. The basic task of Latin diplomacy is, by setting a careful schedule of regime commitments and deadlines, to ease and finally erase that Sandinista advantage.

What kind of pressure can the Latinos — Central Americans, Venezuelans and other hemispheric democracies — bring to bear on Managua for the cause of democracy? The kind of pressure that derives from denial of normal political and economic relations. This would, for the first time, put Latin policy into phase with U.S. policy. Not only is the United States in the position of wishing the principal economic carrots and sticks, but Washington alone is in the position of being able to urge Nicaragua's Soviet patrons — as President George Bush did the other day — to "understand" the United States' "very special interests in this hemisphere." Translation: Lay off.

But if the Latinos, having won the contra termination that most of them insisted they wanted, do not pick up their share of the burden, none of this can work.

— THE WASHINGTON POST.

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OPINION



Afghanistan: Outsiders Can Help the Cooling Off

By Riaz M. Khan

WASHINGTON — Hopes for a smooth transfer of power in Afghanistan diminished with the breakdown of the short-lived Soviet-mujahidin dialogue when the Afghan Alliance in Peshawar rejected the idea of sharing power with the Soviet-backed People's Democratic Party of Afghanistan and offered little more than a promise not to attack the withdrawing Soviet troops.

Power sharing was feasible until early 1987. At that time, Pakistan proposed that Moscow consider the idea of an interim government headed by an acceptable neutral personality. But Moscow insisted on President Najib's offer of national reconciliation designed to secure a dominant role for the PDPA.

Also, the long-standing Soviet-Kabul veto of UN contacts with the resistance denied the UN negotiator the chance to play a useful role with the mujahidin. When the green light came, it was far too late.

Attempts to bolster the Kabul regime or preoccupation with accommodating its concerns could delay peace in Afghanistan. The mujahidin leadership and commanders have earned the right to be the key players in a future Afghanistan. A coalition built around them and involving other nationalist and traditional forces is a practical option and offers the best chance for peace.

The shura (consultative assembly) is deadlocked on the proportion of representation for Iran-backed resistance groups. It would be a pity if the effort to convene the shura were abandoned at this stage when extensive preparations have been made involving contacts and consultations among the Peshawar-based alliance, the Iran-backed leadership and prominent émigrés as well as between Pakistan and Iran. An impressive gathering of Afghans is already present in Islamabad to participate in the shura. It would be difficult to assemble them again. If they part now, their differences will widen and could become unbridgeable.

It is time for the mujahidin leaders to show accommodation and a spirit of generosity, especially in view of the narrow goal set for the shura: to decide on a transitional government with a limited mandate. Pakistan, Saudi Arabia and Iran could contribute to save the shura at this critical juncture. A government or arrangement resulting from a broadly representative shura would foster democratization and a quick collapse of the PDPA regime. Once an acceptable government or arrangement is in place in Kabul, the

situation will turn toward normalcy. Notwithstanding the obvious complications, there are reasons to be optimistic about the future.

First, Afghanistan has a history of decentralized government, with autonomous zones of authority operating in tandem with a sovereign but weak center. A similar picture is emerging after the decade-long Soviet military intervention. Mujahidin commanders have by and large refrained from encroaching on each other's territory. It is inconceivable that armies under local warlords would march up and down the country seeking to expand their control. Conflict after the Soviet withdrawal will largely be restricted to major cities now under PDPA control, and mainly to Kabul. The problem is thus containable.

Second, the supporters of the Afghan struggle, especially Pakistan, the United States, Saudi Arabia and Iran, will continue to wield enough leverage with mujahidin leaders to be able to arrest the spread of military conflict. The prospect of large-scale economic assistance will induce interest in peace

and greater willingness to reach political agreements, however tenuous. The economic aid could be used judiciously to expedite restoration of peaceful conditions.

After Soviet withdrawal, the realities of the political situation will start asserting themselves. The mujahidin commanders who have gained military ascendancy can be expected to act with greater independence. Pakistan, which is often criticized for its perceived preference for Islamic fundamentalists, in fact has only limited ability to pressure the mujahidin leadership to produce a political consensus. Within Pakistan there is considerable awareness of the futility — and, indeed, the risks — in trying to impose a political arrangement. Time-tested Afghan traditions and the array of forces in Afghanistan rule out the political survival of any leader seen to be puppeted up by outside forces.

Pakistan's geographical location, its support for the resistance and its channels of communication with all the significant players, including Iran, give it a critical role to play in

efforts to help the Afghans move toward restoration of normalcy. Pakistan is also directly concerned with the repatriation and rehabilitation of the refugees. Consequently any temptation to bypass Pakistan in future peace efforts should be resisted.

Until a stable government takes root, the United States, Pakistan and other allies of the resistance should coordinate closely to use economic assistance as a lever to prevent further bloodshed and to encourage trends within the resistance toward forging a broad coalition.

A cooling off in Afghanistan will also depend on Soviet willingness to discontinue military aid to General Najib — a step that will require U.S. reciprocity. Moscow can take comfort from the geopolitical imperative etched on the Afghan psyche that Afghanistan cannot afford to be anti-Soviet.

The writer, a Pakistani diplomat with long experience in Afghan affairs, is a diplomat in residence at the Georgetown University Institute for the Study of Diplomacy. He contributed this column to The Washington Post.

Some Outsiders Could Cause Trouble

By Alexander Macleod

LONDON — Before the 1978 Moscow-backed coup which paved the way for the Soviet invasion a year later, Afghanistan had been ruled by 25 distinct dynasties in as many centuries. In the history of this much put-upon country there are no full stops, only commas. The departure of one oppressor is usually a prelude for interference by someone else.

This does not mean that the Soviet withdrawal lacks historical significance. We have just witnessed the last, belated move in a what came to be known a century ago as the "Great Game" — the contest between Russia and Britain for ascendancy in Southwest Asia.

Feeling their Indian possessions threatened by Russian expansionism, the British in the 19th century tried to assert themselves over governments in Kabul, so that Afghanistan would be a shield to their imperial backs. The czars, and later the Bolsheviks, also tried to keep their foot in a door that seemed to offer an opening to domination of the Indian subcontinent.

After 1945, with British authority over India broken, and in the absence of American countervailing power, the Russians set out to exert economic and political influence over Af-

ghanistan. In the late 1970s, frustrated by the Afghans' penchant for violence directed at invaders and each other, they fell to the temptation of direct military intervention in what for centuries had been a notoriously ungovernable country. Just as the British finally found Afghanistan too hot to handle, Mikhail Gorbachev has now put an end to Moscow's Great Game gambit. To that extent, the Soviet withdrawal is a turning point. It will be surprising, however, if Afghanistan ceases to be a cockpit of foreign contention.

Afghanistan is hardly a nation at all, although the rest of the world is determined to regard it as one. When Britain and Russia were regarding each other across the Hindu Kush, nobody could even agree what an Afghan was. The country's inhabitants — Pathans, Tajiks, Kirghiz and Uzbeks, to name but a few — saw themselves strictly as tribesmen. Many still do. Afghan nationalism may be a political reality for Kabul's ruling classes, but tribalism will make it hard for any person or group in the country to exercise decisive power.

Nor are Afghanistan's neighbors likely to ignore the geographic and strategic realities that have made its deserts, mountains and occasional lush valleys such objects of other nations' desire for so long. In the countdown to the Soviet withdrawal, the neighbors have been active.

Pakistan, perhaps still nervously concerned that part of its territory was once part of Afghanistan, and certainly keen to be rid of three million refugees, wants a big say in the next Afghan government. It backs the Sunni religious majority in Afghanistan.

Iran, host to two million refugees in the past decade, has been just as active on behalf of the Shiite minority. Further afield, but still broadly in the region, Saudi Arabia has put its petrodollars on Afghanistan's small but politically assertive Wahhabi Muslims. All want to influence any regime that emerges in a Kabul no longer subject to direct Soviet control.

Perhaps the smart money ought to be on the Iranians. For 2,000 years Persia directly or indirectly exercised great influence over the contiguous land we know today as Afghanistan. The late John Gunther called Afghanistan "a footnote to Persia." With the Russian army gone, there are Iranians who would still like to treat it in those terms.

Iranians are debating Afghanistan's future. There is the most powerful brand of Islam, eager to leap frontiers and promote fundamentalism. The Iranians are nervous about violence on their eastern flank. There are suggestions in Tehran that Iranian, Pakistani and Afghan coreligionists should get together and form a "defense line" through the heart of Southwest Asia. Pakistan's army chief has expressed interest in the idea.

By jockeying for influence, Afghanistan's neighbors are helping contention among tribes capable of destroying any hope for peace. The Great Game is over, but a new struggle for hegemony may be only beginning.

International Herald Tribune.

100, 75 AND 50 YEARS AGO

1889: Carnot Will Decide

PARIS — [The Herald says in an editorial:] "The storm which for some time past has been gathering over M. Floquet's head burst yesterday [Feb. 14]. In the short space of an hour, the Revision Bill was postponed and the Cabinet overthrown. The situation is more than usually serious. It is necessary to inaugurate a new policy, one which is absolutely anti-Radical, which will restore order in public affairs and put an end to religious persecutions. The right of decision lies with President Carnot. Never before, perhaps, has a Ministerial crisis arisen in which the confidence and responsibility of the chief of State were more involved."

1939: Pope Laid to Rest

ROME — The body of Pope Pius XI was laid to rest this evening [Feb. 14] with impressive rites in the crypt of St. Peter's and the remains of Pius X and the last representative of the former British royal House of Stuart. The funeral was noted for breaking with medieval traditions of strict intimacy which marked former ceremonies. For the first time in the history of the Church the Pope's election was announced to the world by the issuing of the thick wreath of smoke rising from the thick clouds of smoke which hitherto served to tell the Curia that the Pope had been elected.

1914: For a Polar Circuit

NEW YORK — Girdling the earth via the poles was suggested by Commander Peary at a dinner at the Explorers' Club on Friday night [Feb. 13] as the next feat for exploration.

Here Comes Some More Islamic Bile

By Jim Hoagland

PARIS — Literary criticism is a robust activity in Pakistan: five dead and 80 wounded protesting the planned publication in America of Salman Rushdie's novel "The Satanic Verses" with more deaths and in all likelihood more demons to come. Like most reviewers, the mobs say more about themselves than about the book. Intolerance in the name of piety is not unique to Islam. At a different level, there is an interesting, albeit implicit, commentary on the values of different societies found holy and/or necessary to protect at any cost.

Mr. Rushdie's novel is a swift seller in Britain, in part because of the furor in the Muslim community there over the book's two hallucinatory chapters that depict a fictional stand-in for the Prophet Mohammed as a fraud and his 12 wives as prostitutes. This is properly not a matter of concern for Margaret Thatcher's government, which spends its time suppressing books about intelligence and spies, when it is not trying to intimidate radio and television out of covering the government's war with the IRA.

Why does a mob in Islamabad attack the U.S. Embassy's cultural center over an American publisher's decision to bring out a book already on sale in Britain? The answer lies in large part in the nature of Islamic politics and in the ramping resentments that many Muslims feel against the West.

Mr. Rushdie's book is a convenient target for fundamentalists seeking to reassert themselves as a political force at a critical moment for Islam in South Asia. By attacking the U.S. cultural center, the mob identified its broader target, which is Western culture and influence. By "sentencing" Mr. Rushdie to death, Ayatollah Ruhollah Khomeini asserts that the Iranian revolution soldiers on in its most virulent form, despite its failures and divisions.

The strong conflict between militant Islam and Western culture that seemed so pronounced a decade ago, as Khomeini's revolution spilled out of Iran, has been muted in recent years. The Soviet occupation of Afghanistan in 1979 drew much of the force from the attacks on the West by persuading the Muslims of South Asia and the Middle East that there were other, more immediate dangers.

But the Soviet occupation is now an end. And across South Asia, Islamic fundamentalists are battling to gain or maintain power as the political arrangements that have held for the past decade in Pakistan, Iran and in Afghanistan come unstuck.

The sounds of a climactic power struggle have been rising in Iran in recent weeks. "The Satanic Verses" comes as a welcome diversion for Ayatollah Khomeini, who has just heard his designated successor, Ayatollah Hussein Ali Montazeri, tell the truth about the Iranian revolution in these terms: "On many occasions, we showed obstinacy, shouted slogans that frightened the world. The people of the world thought our only task in Iran was to kill people." The revolution, Ayatollah Montazeri soberly observed on his tenth anniversary, had failed to achieve its objectives.

In Pakistan, the death of General Mohammed Zia ul-Haq deprived the fundamentalists of their access to power. Pakistani voters chose the most secular of the important candidates, as they consistently have when given a chance to vote, and elevated Benazir Bhutto to power in December. Mr. Rushdie is so much handier for the fire of the extremists who want to destabilize Miss Bhutto.

And in Afghanistan, conflicts over how much power the Iranian-backed Shiite groups will get in a new government have blocked formation of a council to supplant Kabul's Communist-led regime. Be chastened but not surprised if the anti-Soviet alliance that the Afghans forged with the United States becomes a thing of the past once the resistance achieves power in one fundamentalist form or another.

Western culture and economics impinge on Islamic societies as no other outside force can, creating a permanent tension that waxes and wanes. The tension curve looks like rising over the next few years.

The Rushdie flap should serve as inoculation against a recycling of the fashionable notions that held sway with American policymakers at the start of the decade as they sought to make the best of the collapse of the pro-Western government in Iran. Islamic fundamentalism is not a geopolitical force that will act as a bulwark against Soviet communism in tandem with American objectives; it is not a geopolitical force at all. It is a localized phenomenon that will foster on whatever Western nations do.

The Washington Post.

100

The Crookback: This Is His Year To Be the King

By Sheridan Morley

LONDON — If 1988 in the London theater was the year of "Tempests," with at least four Prosperos breaking their magic staffs around town, then 1989 is clearly going to be the year of the Crookback.

We have already had "Richard III" at the Old Vic as part of Michael Bogdanov's ongoing "The Wars of the Roses" there; soon we

THE LONDON STAGE

get him at the Barbican as part of "The Plantagenets," the Royal Shakespeare Company's epic from Stratford, and meantime, he is at the Phoenix Theatre in the shape (or on this occasion misshape) of Derek Jacobi, who not only crouches and leopards his way around the stage like a particularly malevolent turn of speed, but also doubles the role with that of the poet-king "Richard II."

The trouble is not Jacobi, who celebrates a petulant high-camp villain prepared to give his kingdom if not for a horse then certainly for a laugh, but his extremely unimpressive supporting cast.

One of the problems with companies formed around a star rather than a director or an overall textual philosophy is that other stars are less inclined to work with them.

Thus with one or two exceptions (Robert Edson in an all too fleeting appearance as the Bishop of Ely, and David Rintoul doubling the dying Edward IV with the late-arriving her Richmond), the Phoenix company looks like the Old Vic on a bad night in about 1953, as they back gracefully away from any sign of hobnobbing into the limelight that only seems to understand.

As a result we get no conflict, no politics, only adequate verse-speaking and the feeling that we'd

have been better off had Jacobi chosen to do it as a solo turn rather than involve his ineptly starry performance in so dreary and unimpressive setting.

At the Lyric Studio in Hammer-smith, Klaus Mann's "Sibylla" is getting its British stage premiere almost 60 years after it was written. Derived from Jean Cocteau's equally notorious "Les Enfants Terribles," but given its own terrible kind of reality in that it was also based on the story of Klaus and his sister Erika, this is a flawed and shaky closet drama lovingly adapted and superbly directed by Peter Eyre, who has understood its importance in biographical and historical if not straightforward dramatic terms.

The Manns were the children of Thomas, and it was Erika who married the Nazi actor whom Klaus later wrote about in "Mephisto." But their real love was always reserved for each other, and what they saw in Cocteau's play was a reflection of the fantasy world of the nursery to which they themselves were increasingly inclined to retreat in the face of an outside world becoming more and more politically and socially hostile.

So on one level this could almost have been another one of Christopher Isherwood's tales from between wars Berlin: a brother and sister who can only find in death any kind of solution to their passionate love for each other, though in reality 20 years were to elapse before Klaus was to kill himself in California, Erika having meantime married W.H. Auden.

There is by any standard an amazing literary saga of relative values, and if you ally it to the political repression and sexual freedoms of Germany and France in the early '30s you are bound to come up with an explosive tale of obsession and mutual destruction.



Derek Jacobi as the petulant high-camp villain Richard III.

True, Cocteau's fragile fantasy cannot quite sustain the weight of Turgenev truth that Mann loads onto it, and the original author was predictably unhappy with this variant. But for the rest of us, and at this remove, it looks like a weirdly intriguing mix of Freud and fairy tale, very strongly played by Suzanne Hamilton and Simon Carter as the doomed siblings of the title, and by Rose Hill as their increasingly appalled old nurse.

Thirty years ago this summer, "Roots" was the play that established predominant Royal Court reputations for the actress Joan Plowright, the playwright Arnold Wesker, and the director John Dexter. It is perhaps a sign of revolution becoming history that it should now turn up at the Cottesloe in a National Theatre touring production specifically targeted at schools where it is being taught, rightly, as a classic text.

Not only that, but the central pillar of what became the Wesker Trilogy (made up of

"Chicken Soup With Barley" and "I'm Talking About Jerusalem") "Roots" is the one about Beattie Bryant returning to her Norfolk family farmhouse to spread the intellectual gospel of her unsexed and finally no-good boyfriend among relatives for whom all thoughts and most words constitute a kind of threat.

In the original production, Plowright's last-act soliloquy in which she realizes with transcendent joy that she is no longer quoting but actually inventing her own thoughts and putting them into words of her own selection was one of the great moments of postwar British theater.

It would be totally unrealistic to expect Maria Miles in her first professional engagement after drama school to match it. Nonetheless she turns in a performance of radiant integrity and self-discovery which, in Simon Carter's efficient revival, contrasts splendidly with Pam Ferris as the earth mother to whom the quest for knowledge is as incomprehensible and unnecessary as a life on the moon itself.

Pushkin Opera 'Reborn' With Surtitles

Washington Production Taps the Literary Lodestone of Works in Russian

By Joseph McLellan

WASHINGTON — It may be a coincidence that Tchaikovsky's opera "Pique Dame" will open Saturday at the Kennedy Center in the middle of Black History Month. But this opera, like many others in the Russian repertoire, is based on the work of one of history's greatest and most unusual black writers.

Alexander Sergeyevich Pushkin (1799-1837), descended on his mother's side from an African slave and the only black writer of any stature in Russian literature, is probably second only to William Shakespeare in the number and quality of operas inspired by his work. There were more than 60, though he died at the age of 38.

Most of the Pushkin operas are virtually forgotten — names on lists in reference works. So are nearly all the thousands of other operas composed in the last 400 years, but Pushkin has had a special problem: language.

Still, two Pushkin operas performed here in recent years are transcendent masterpieces that crash through the Russian language barrier: Mussorgsky's "Boris Godunov" and Tchaikovsky's "Eugene Onegin."

"Pique Dame" (or "The Queen of Spades") may turn out to be



Alexander Pushkin

another, it has had a lot of attention in the United States in recent years, including the Philadelphia production shown on the Public Broadcasting network and a San Francisco production that supplied the sets and costumes to be used in Washington. Its path may be smoothed because everyone in the audience who can read English will be able to keep track of what is happening.

The establishment of surtitles as standard procedure in most opera houses should ultimately change the shape of the operatic repertoire.

With the help of surtitles, at least a half-dozen more Russian operas, most of them inspired by Pushkin, can be expected to slip into the next generation. Likely candidates for such attention include Stravinsky's "Mavra," Tchaikovsky's "Mazepa," Rachmaninoff's "The Miser," Rimsky-Korsakov's "The Tsar's Daughter," and "The Queen of Spades," which has the best-known overture in Russian opera, though it is otherwise unfamiliar to most people.

The poet, dramatist and fiction writer who is winning a new American audience in this process is well worth knowing. "Pushkin's work gives Russian opera tremendous depth," says Semyon Velshteyn, who will be conducting "Pique Dame" for the Washington Opera.

A short story of only about 10,000 words, Pushkin's "Queen of Spades" is much less elaborate than the opera libretto, which was written by Modest Tchaikovsky, the composer's brother. In both the story and the opera, the central figure is a young military officer, Herman, who wants to learn a magic secret for winning card games. He causes the death of the old lady whom he forces to reveal the secret, is haunted by her ghost and loses everything in a crucial card game.

When the magic formula doesn't work, a queen of spades is turned over when he expects an ace, and the old woman's ghost appears simultaneously to let him know this is his punishment. In the opera, Herman commits suicide; in the story, he goes mad and ends up in an institution muttering the names of cards compulsively, rapidly, over and over.

But the differences are much more important than a few plot details. Pushkin wrote a rather cynical story about a greedy young man whose only interest is money.

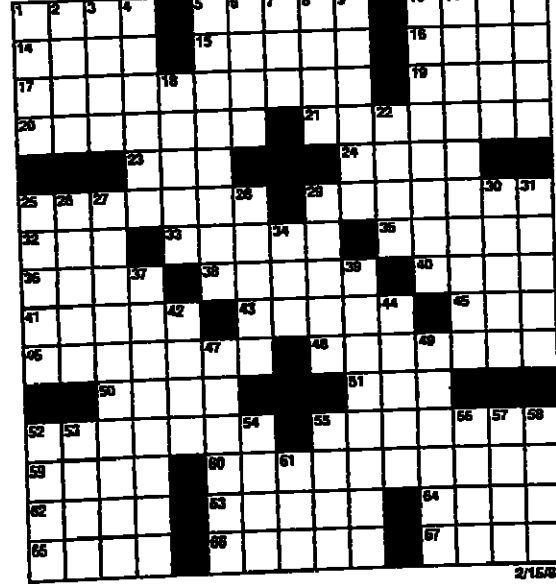
In the opera, Herman (a tenor) needs money because he is in love with Lisa (a soprano). She cannot marry him because she belongs to a higher social class and he is too poor. Operationally, if not in a court of law, this is full justification for trying to get money in unorthodox ways. "Tchaikovsky and his brother have turned Herman into a romantic, almost Byronic character as much in love with Lisa as with gambling," observes the Earl of Harewood in "The Definitive Kobbe's Opera Book." "That they have made something that differs from Pushkin's original story is undeniable, but whether it is much less good is a moot point." The issue, in effect, is one of romanticism against realism — in a ghost story!

ACROSS

- 1 Historic English city
- 5 Checks
- 10 Style of furniture
- 14 S-shaped molding
- 15 Silas Marner's creator
- 16 Gray wolf
- 17 One's own legs
- 19 Teacher of Elman and Zimbalist
- 20 Fare for Roger Rabbit
- 21 Shake or quake
- 23 800-mile Asian river
- 24 Seasonal song
- 25 Walking with a top-paw raised
- 29 Wheel guards
- 32 Gideon gold
- 33 Put a tennis ball in play
- 35 Symbol of evil
- 36 Use a winnow
- 38 Besmirches

Solution to Previous Puzzle

SCAM THROB EARP
EAST HARRY AMOR
WITH HALF TALE
ERR ALLOFT HONEY
DOOR ONEWAY
ENJOY HOWL SETA
MOON HEARTY TIER
TINCE OPRY PORED
TOISUP ARU
STAGE INHUM RAY
OHIO STEALONES
DIOED REEVE ASYL
SUED ISLES ASSIN



© New York Times, edited by Eugene Malachuk.

- 4 Matisse and Rousseau
- 5 Predetermined
- 6 Gift to the needy
- 7 Actress Farrow
- 8 Location on a ship
- 9 Creator of Thelma Shandy
- 10 Tree-lined promenades
- 11 Ambiguous language
- 12 Walter of screen fame
- 13 Song from "Moulin Rouge"
- 18 Nut-producing trees
- 22 Ages and ages
- 25 Model or noddle
- 26 Come up
- 27 Plays down
- 28 Ancient city in Mysia
- 29 Fabrics used by milliners
- 30 Strong fiber
- 31 Curl one's lip
- 34 Chablis, e.g.
- 37 Bed bloomers
- 38 Take apart
- 42 Poet
- 44 Master, to a Hindu
- 47 Form of verse
- 49 Port in S Italy
- 52 Artist Chagall
- 53 Inter
- 54 Reliquary
- 55 First word of Moore's famous poem
- 56 Gurple, e.g.
- 57 en point
- 58 Ring decisions by refs
- 61 High mountain

New Orleans Jazz Fest

Turns 20, Gets New Site

The Associated Press — The New Orleans Jazz and Heritage Festival will celebrate its 20th anniversary this spring with a new riverfront concert site and a lineup including Santana, Miles Davis, Al Green and Wynton Marsalis. The festival, which runs April 28 to May 7, will present its traditional Heritage Fair of jazz, gospel, rhythm and blues, Cajun, folk and other types of music. Performers will include Fats Domino, Robert Cray, Ricky Skaggs, Pete Fountain, Rita Coolidge, John Hiatt, Dr. John, Robert Parker, Ben E. King, Pete Seeger and Bonnie Raitt.

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Now, Something Completely Different

By Glenn Collins

NEW YORK — Near the end of the Monty Python seminar, a member of the audience asked the Python troupe to define the difference between English and American humor.

"American humor pays more," said Eric Idle, after a brief pause for scholarly reflection.

"Where do you get all your ideas?" someone else wanted to know.

"Drugs," answered Terry Gilliam, deadpan. "We are at last to reveal that now."

And so it went Monday during the Python seminar at the Museum of Broadcasting here.

The Python gang — well, three of the six original co-conspirators, at least — were making their first collective American incursion in five years for the museum's "20th Anniversary Salute to Monty Python."

The 10-day retrospective of Pythoniana marks the two decades since the group first appeared on British television. More than 130 museumgoers had paid \$8 for the privilege of being in the Python presence.

"Is there anything that you people wouldn't do?" asked Harold Sprinzen, a hopelessly devoted Pythonomaniac.

"We would never, ever mock the Museum of Broadcasting," answered Terry Jones. "But we're a bit young to be exhibits in a museum," said Gilliam. He is now 48, Jones is 47, and Idle is 45.

"Monty Python's Flying Circus" had its premiere on BBC on Oct. 5, 1969, taking the place of a Sunday religious discussion. The last show was telecast in December 1974. The museum's Python celebrations include a marathon screening of all 45 episodes.

Since the team's last film, "Monty Python's Meaning of Life," the performers have pretty much gone their separate ways. "Why did you break up?" came the question from the audience.

Idle's eyes moved slowly to the other two Pythons seated with him on the auditorium stage. "Still haven't managed to escape, have we?"

During the seminar, the Pythons were asked how they put the original series together. "It was all scripted — as you can see," he said. "It was all scripted — as you can see," he said. "It was all scripted — as you can see," he said.

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placard in "Monty Python's Meaning of Life." Rarely if ever was the group unanimous about anything, the Pythons revealed. "The only thing we ever agreed on was that the show would never go in America," said Idle.

The present-and-accounted-for Pythons were asked what the three other Pythons — John Cleese, Graham Chapman and Michael Palin — were up to these days.

"Oh, they're all dead," Idle replied lugubriously.

People in the audience wanted to know whether the Pythons would ever get together again. "We recently had a meeting in London to discuss it," said Jones. "Everyone could be there except Eric," he said of Idle.

"Even John Lennon was there," said Gilliam, the Pythons' animator.

"I just can't see us all getting together and doing anything," Jones said. "The problem is, to get everyone together."

What, then, do the Pythons foresee they will be doing for the next 20 years?

"Oh, it's probably a future of answering questions about the last 20 years," said Idle.

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	Vol.	High	Low	Last	Chg.
Lionel	8939	7 1/4	4 1/4	4 1/4	+ 1/4
TeleAir	3545	15 1/2	13 1/4	13 1/4	+ 1/4
AMC	4344	9 1/4	9 1/4	9 1/4	+ 1/4
Coro Pk	3728	14 1/4	14 1/4	14 1/4	+ 1/4
MichStr	3254	7	6 1/4	6 1/4	+ 1/4
Wornd	2555	17 1/4	9 1/4	9 1/4	+ 1/4
AmMed	3289	7 1/4	7 1/4	7 1/4	+ 1/4
Frutl	2220	7 1/4	7 1/4	7 1/4	+ 1/4
Roadbld	1691	27 1/4	27 1/4	27 1/4	+ 1/4
SPI Mac m	1917	6	4	4	+ 1/4
ForstL	1457	14 1/4	14 1/4	14 1/4	+ 1/4
AmInt'l s	1442	14 1/4	14 1/4	14 1/4	+ 1/4
	1314	14	14	14	+ 1/4

AMEX Stock Index			
High	Low	Close	Chg
321.43	321.45	322.96	+ 1.50

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

The Amex market value index rose 1.20 to close at 322.96. The price of an average share added 5 cents. Advances narrowly led declines.

On the NYSE, Union Carbide was the most

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MEDIA MARKETS

**Mazda Drops Spokesman,
Wants 'Cars to Be the Stars'**

By BRUCE HOROVITZ

LOS ANGELES — The actor James Garner's four-year stint as a spokesman for Mazda Motor Corp. is about to run its last lap. The Japanese automaker, which is making major changes in its car line, said Thursday that it would drop Mr. Garner when his contract expires in March.

"We want the cars to be the stars," said Janet Thompson, vice president of advertising at Mazda. "Although James Garner really put the Mazda name out there, we've decided to focus now on the individual personalities of our models."

The move by Mazda has some skeptics scratching their heads. "He's the only image that Mazda advertising has going for it," said Jim Hillson, senior analyst of the Los Angeles commercial research company Phyllis Corp. "Of course, if the only thing you have going for you is a celebrity spokesman, maybe it's time to start fresh."

Mr. Garner, who was paid an estimated \$1 million annually by Mazda, was unavailable for comment Thursday. He was outside California, scouting locations for a new movie that his production company plans to film later this year. Mr. Garner, 61, only recently recovered from quintuple heart bypass surgery, which had sidelined him not only as promoter of Mazda, but also as a spokesman for the Beef Industry Council. Mazda's current campaign, which features Mr. Garner's voice but not his face, will be reshot with a new voice in the background. These ads will run until Mazda's new campaign begins in July, said Ms. Thompson.

Just how successful was Mr. Garner as a Mazda spokesman? That depends on whom you ask. Although Mr. Garner's ads for Polaroid cameras and the Beef Industry Council rated highly with consumers, his Mazda ads were not particularly memorable to thousands of consumers polled by Video Storyboard Tests, a New York research company that tracks TV commercials. On the other hand, while most importers saw sizable sales declines last year, Mazda's U.S. car sales were up considerably. Just how much Mr. Garner had to do that would be hard to gauge.

ONE CELEBRITY BROKER, who does not represent Mr. Garner, said that the actor was extremely effective. "Keep in mind, four years is a long time to be a spokesman for anything," said Alann Feldford, vice president at Los Angeles-based Ingels Inc. "Most celebrities would be very happy to be on the air for four years."

As part of the deal, Mr. Garner had been provided with three sporty Mazda cars and a truck that he drives regularly. Will he now have to return them? "No," said a Garner spokesman. "They're his."

Mastercard will be the next capitalist tool advertised on Soviet television. The company, along with Coca-Cola Co., is sponsoring the 14 National Basketball Association games that will be broadcast in the Soviet Union beginning later this month.

Mastercard/Eurocard is held only by a small number of Soviet citizens who travel extensively abroad, said Richard A. Woods, director of public affairs for Mastercard International.

"But our feeling is that at some point, regular Soviet consumers will be using credit cards, so we wanted to create some awareness of ours," he said. Lintas: U.S.A. will do the ads.

Chint/Day said it had reached agreement with the management of Mojo MDA to pay \$67.2 million for all the outstanding shares of the publicly held Australian advertising agency.

The bid is still subject to approval by the U.S. Foreign Investment Review Board and by Mojo's shareholders.

**GM Posts
Record
Earnings**

But Stock Falls
On Quarterly Net

Compiled by Our Staff From Dispatches

DETROIT — General Motors Corp. reported Tuesday that fourth-quarter net profit rose sharply and its profit for 1988 was a record \$4.85 billion, but the automaker's stock fell because Wall Street analysts had expected better results.

GM said it earned \$1.4 billion in the fourth quarter, up from \$836 million a year earlier.

The largest U.S. carmaker said the record profit stemmed from increased volume, improved performance in North America and overseas, and lower fixed manufacturing expenses.

Analysts sounded a note of caution, however, saying that GM had dramatically reduced its capital spending in its effort to contain costs at a time when its competitors are increasing spending.

"Their spending is down and that is helping current results," said Douglas Laughlin, an analyst at Bear Stearns & Co. "But if they keep spending low and their new product programs are not successful, they will have to ramp that back up."

GM shares were down \$3.375 on Tuesday to \$88.625. Analysts said that while the annual earnings were at the high end of estimates, fourth-quarter earnings of \$4.25 a share were below many analysts' expectations.

GM's per-share income of \$14.34 was in the middle of analysts' expectations. The per-share income for 1988 was \$54.34.

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GM's per-share income of \$14.34 was in the middle of analysts' expectations. The per-share income for 1988 was \$54.34.

**'Sure-Fire' Idea Flops at Seven-Up
7-Up Gold Fiasco Shows Perils of Hasty Test-Marketing**

By Douglas C. McGill

New York Times Service

NEW YORK — It seemed like a sure-fire strategy for creating a new soft drink.

Test the flavor to make sure people like it, sell it under the brand name of an established product and back it with \$10 million in advertising.

For 7-Up Gold, however, that turned out to be a recipe for a flop.

"Disappointment?" said the chairman of Seven-Up Co., John Albano. "I'll be honest. It's a failure. I have been around for a long time, and you think you learn your lessons and practice intelligent marketing, but you can be sidetracked."

Seven-Up executives and their powerful business partners, the Seven-Up bottlers and distributors, have several theories to explain what went wrong with the product.

First, the company that billed its main product as a foe of colas — the "Un-Cola" — gave its newest product a cola-like, brownish hue.

Then, it added caffeine to that product, even though it made 7-Up's lack of caffeine an advertising theme: "Never Had It, Never Will."

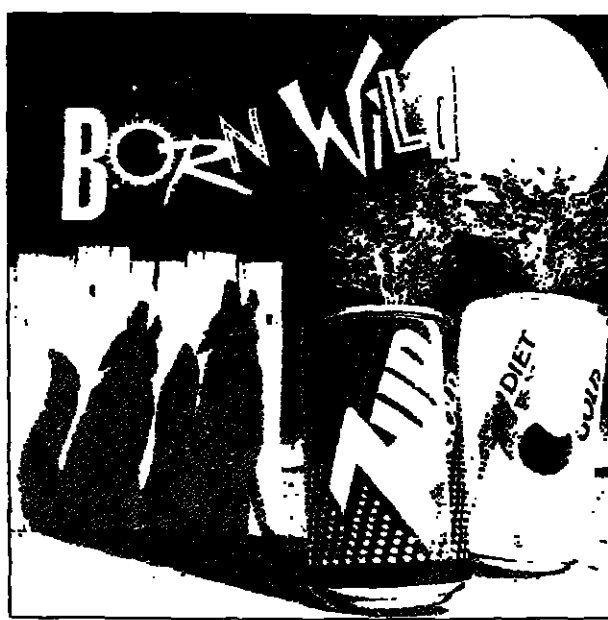
Finally, filled with optimism after the success of Cherry 7-Up, the company rolled out 7-Up Gold in the spring last year with only brief test-marketing, which goes beyond taste-testing to explore consumer reaction to all aspects of a product, including its name and packaging.

"The product was misunderstood by the consumer," said Roger Esley, president of Seven-Up Bottling Co. of San Francisco.

"People have a clear view of what 7-Up products should be: clear and crisp and clean, and no caffeine. 7-Up Gold is darker and it does have caffeine, so it doesn't fit the 7-Up image."

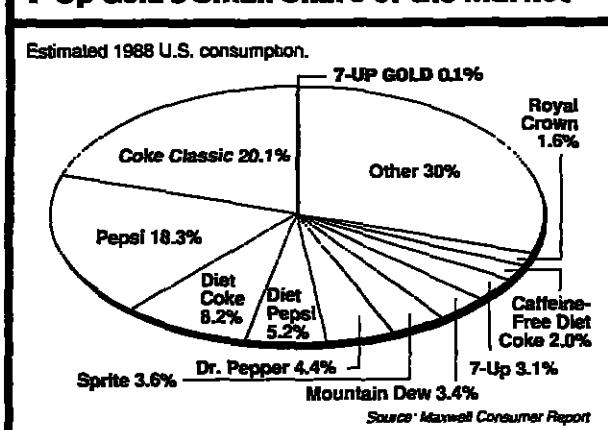
The company originally hoped to capture 1 percent or more of the estimated \$26.6 billion soft-drink market in the United States in one year, which would have generated around \$266 million a year in revenue.

But today, 7-Up Gold has only one-tenth of 1 percent of the market.



Seven-Up Co. hoped to gain 1 percent of the U.S. soft-drink market with 7-Up Gold. After one year, the product is dying.

7-Up Gold's Small Share of the Market



Estimated 1988 U.S. consumption. Source: Maxwell Consumer Report

Many industry experts say the problems of 7-Up Gold show how difficult it is to establish a new product in the soft-drink business, which is among the biggest and most competitive consumer product industries in the world.

With huge brands like Coca-Cola and Pepsi dominating the market, the industry wisdom is that growth comes largely through new brands aiming for niches.

Grocery shelves today are crowded with new entries, many of them "line extensions" — diet, caffeine-free and cherry or lemon-flavored versions of top-selling drinks that build on the success of established names.

"There's enormous competition for shelf space, for creating a position in the consumer's mind," said Michael Norius, president of Alliance Consulting.

See SEVEN-UP, Page 11

**Kobe and USX
Will Join Forces
In Steelmaking**

By Warren Brown

Washington Post Service

WASHINGTON — USX Corp., the American steel giant, has joined forces with Japan's Kobe Steel Ltd. to provide galvanized steel products to American and Japanese automakers producing vehicles in the United States.

The two companies will share 50-50 ownership of USX's Lorain Works plant at Lorain, Ohio. The plant currently produces bar and tubular steel products.

Both companies declined to discuss the cost of the joint venture, the second such agreement between USX and an Asian steel company in America, and the eighth production pact between an American and Asian steelmaker in the United States since 1983.

Other alliances between Japanese and American steel concerns in recent years include links between Nippon Steel Corp. and Inland Steel Co., Nippon Kokan KK and National Steel Corp. and Kawasaki Steel Corp. and Arco Inc. Japanese manufacturers in general have been seeking more offshore investments to insulate themselves from currency swings.

Domestic and foreign automakers' quest for high-quality, rust-resistant, electro-galvanized steel has also been driving most of the joint ventures, according to steel industry analysts.

Prior to 1982, before Japanese automakers began building cars in America, Japanese steel companies specializing in automotive products did not have much of a market in the United States.

U.S.-made vehicles at the time had nearly 100 percent domestic content. Also, in the days before foreign competition forced U.S. automakers to improve their quality, there was virtually no demand for car metal that could support rust-through protection warranties of up to 70,000 miles (113,500 kilometers), which are now offered by domestic auto companies.

Today all major Japanese automakers, separately or in joint ventures with American partners, are building vehicles in the United States.

So-called voluntary quotas, adopted by Japan in 1981 to restrict the flow of Japanese cars to America, prompted that production migration. Also, by building in the United States, Japanese automakers hoped to temper congressional demands for stronger trade restraints.

Japanese suppliers began following their automakers to America in hopes of supplying those companies as well as, eventually, the U.S. Big Three — General Motors Corp., Ford Motor Co., and Chrysler Corp.

Japanese automakers in the United States country have argued that American steel, and other major U.S.-made components, were not up to par for their products.

**British Court
Rules For GEC
In Plessey Case**

Reuters

LONDON — The British High Court ruled in favor of General Electric Co. on Tuesday in its suit to block Plessey Co.'s attempt to acquire all of GEC Plessey Telecommunications PLC — a joint venture between the two companies.

Plessey's move to acquire all of GFT was a tactic in its defense against a combined takeover bid by GEC and Siemens AG of West Germany. The failure of the tactic is the second blow to Plessey, following the British Monopolies and Mergers Commission's failure to block the bid.

Siemens, which would own 40 percent of Plessey if the bid succeeds, has said GFT is the focus of its interest in Plessey. Analysts said if Plessey had managed to acquire all of GFT it would have considerably strengthened its position against GEC.

Plessey said Tuesday it is studying the court decision.

Currency Rates

Cross Rates	Feb. 14
American dollar	1.93
British pound	1.60
French franc	6.55
German mark	2.36
Italian lira	1.36
Japanese yen	163.60
Netherlands guilder	2.20
Swiss franc	1.48
Spanish peseta	166.64
U.S. dollar	1.93

Closings in London, Tokyo and Zurich, 10:00 a.m. in other centers. New York closing rates. Source: Reuters. Dollar = 100 cents. Yen = 100 yen. Mark = 100 marks. Lira = 1,000 lire. Franc = 100 francs. Pound = 100 pence. Dollar = 100 cents. Yen = 100 yen. Mark = 100 marks. Lira = 1,000 lire. Franc = 100 francs. Pound = 100 pence.

Other Dollar Values

Currency	Per \$
Australian dollar	1.52
Canadian dollar	0.71
Hong Kong dollar	7.80
Indian rupee	15.67
Israeli sheqel	3.48
Japanese yen	163.60
Netherlands guilder	2.20
Swiss franc	1.48
Spanish peseta	166.64
U.S. dollar	1.93

Forward Rates

Currency	30-day	60-day	90-day	120-day
American dollar	1.93	1.93	1.93	1.93
British pound	1.60	1.60	1.60	1.60
French franc	6.55	6.55	6.55	6.55
German mark	2.36	2.36	2.36	2.36

Source: Reuters. Dollar = 100 cents. Yen = 100 yen. Mark = 100 marks. Lira = 1,000 lire. Franc = 100 francs. Pound = 100 pence.

Interest Rates

Rate	1 month	3 months	6 months	1 year
American dollar	8.00%	8.00%	8.00%	8.00%
British pound	10.00%	10.00%	10.00%	10.00%
French franc	6.00%	6.00%	6.00%	6.00%
German mark	5.00%	5.00%	5.00%	5.00%

Source: Reuters. Dollar = 100 cents. Yen = 100 yen. Mark = 100 marks. Lira = 1,000 lire. Franc = 100 francs. Pound = 100 pence.

Asian Dollar Deposits

Rate	1 month	3 months	6 months	1 year
American dollar	8.00%	8.00%	8.00%	8.00%
British pound	10.00%	10.00%	10.00%	10.00%
French franc	6.00%	6.00%	6.00%	6.00%

U.S. Money Market Funds

Fund	Assets	Yield
American dollar	1.93	8.00%
British pound	1.60	10.00%
French franc	6.55	6.00%

Source: Reuters. Dollar = 100 cents. Yen = 100 yen. Mark = 100 marks. Lira = 1,000 lire. Franc = 100 francs. Pound = 100 pence.

Gold

Rate	1 month	3 months	6 months	1 year
American dollar	8.00%	8.00%	8.00%	8.00%
British pound	10.00%	10.00%	10.00%	10.00%
French franc	6.00%	6.00%	6.00%	6.00%

Source: Reuters. Dollar = 100 cents. Yen = 100 yen. Mark = 100 marks. Lira = 1,000 lire. Franc = 100 francs. Pound = 100 pence.

**Record Sales
Lift Profit
At Toyota**

Reuters

TOKYO — Strong domestic demand propelled Toyota Motor Corp. to record sales in the latest half year, while the parent company's current profit surged 17 percent to 261.69 billion yen (\$2.04 billion), Toyota said Tuesday.

Sales by Japan's biggest automaker climbed to 3.51 million yen in the six months to Dec. 31, up 8.7 percent from the 1987 period.

"The sales increase is almost solely due to the increase in domestic demand," a company vice president, Tatsuhiro Oshima, said at a news conference.

Parent net profit jumped 63.9 percent to 129.59 billion yen.

Parent company results do not include earnings by overseas subsidiaries. The earnings reported Tuesday were for the first half of the financial year that began July 1.

Toyota gave no net profit prediction for the full year, but Mr. Oshima said current profit would be little changed from the \$21.7 billion yen earned in the 1987-88 financial year.

He also said that the company expects parent sales for the year to edge up to 7.0 trillion yen from 6.9 trillion a year earlier.

Vehicle exports in the latest six-month period rose 2.2 percent from a year earlier to 893,734, mainly due to increased shipments to Southeast Asia and Australia. Domestic sales rose 11.7 percent to 1.07 million, Mr. Oshima said.

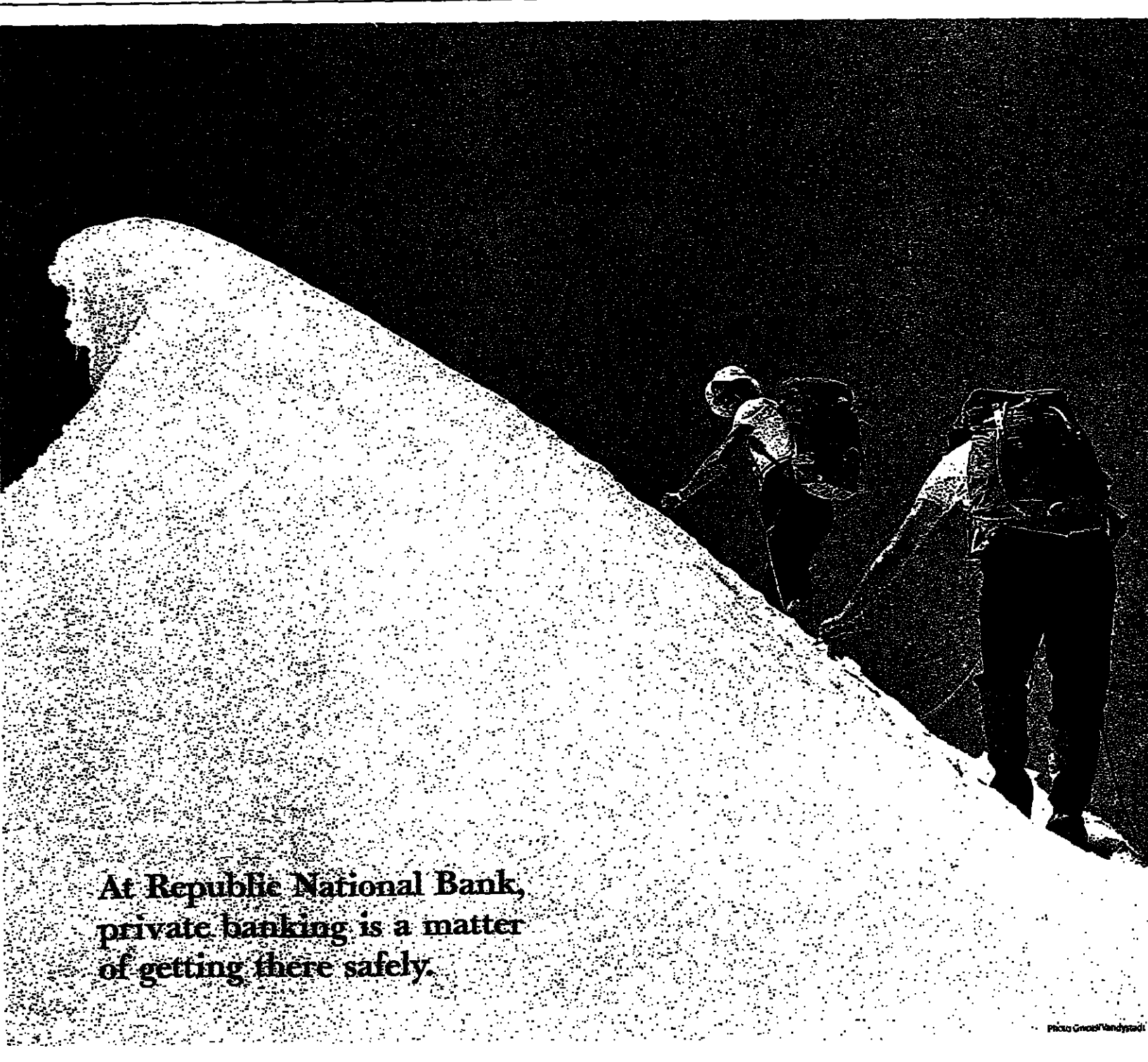
Toyota revised up its capital spending projection for 1988/89 to 310 billion yen from 280 billion, Mr. Oshima added. Half of the total will be used for new vehicles and technology development, and the rest will be used to expand and strengthen production facilities.

Toyota announced Jan. 27 that it was considering opening a car plant in Britain that would create 3,000 jobs. Tatsuhiro Toyota, another company vice president, said the engine plant would account for 500 of the jobs.

"I think it is better to set up the engine plant near the expected assembly plant in the U.K.," he said.

Toyota will send a team soon to survey the component industry in Europe, Mr. Oshima said.

Raymond H. Levy, chairman of France's Renault, visited Toyota City on Tuesday for talks with Toyota's chairman, Eiji Toyoda, and other executives. Mr. Oshima said, He said Renault executives had welcomed direct investment in Europe by Toyota.



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1st February 1989

Mr Lee Bushner
International Herald Tribune
181 Avenue Charles de Gaulle
92200 Nanterre-sur-Seine
France

Dear Lee

Thank you for commissioning us to undertake the 1989 Reader Survey.

We guarantee to process all the replies received with absolute confidentiality. Information relating to individual replies will be analysed in a statistical form only. No personal information will be passed to anyone outside our organisation.

The questionnaire will appear in the paper in mid February, and we will process all replies received before the end of March. Each response received by Research Services Ltd before the closing date will qualify for \$1 US donation to charity. The total value of your charitable contribution will be shown when you publish the survey results in May.

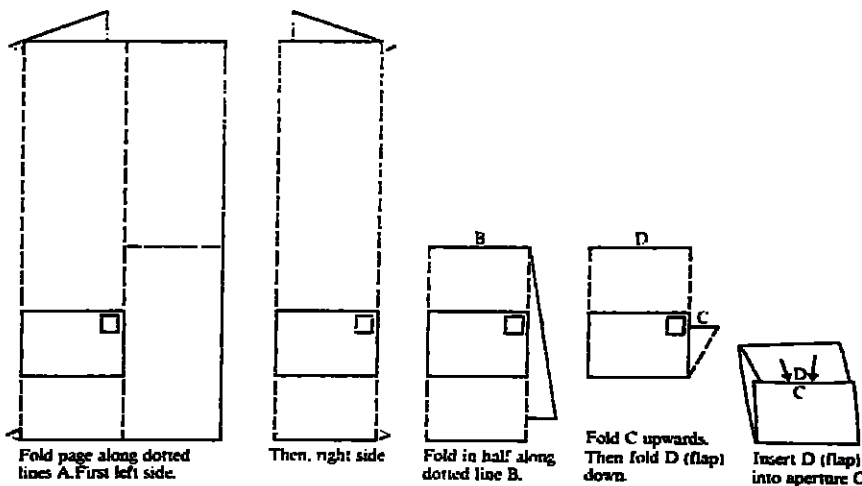
With best wishes

Yours sincerely

Dawn Mitchell
Chairman & Chief Executive

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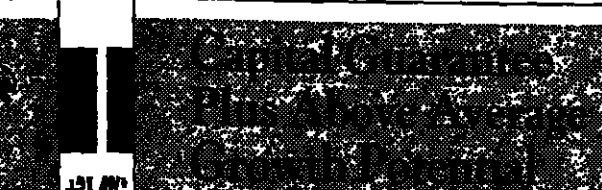
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ARAB FINANCE INCOME FUND, MUTUAL FUND

ORGANISED IN LUXEMBOURG
DOMICILE: LUXEMBOURG

Aloyse SCHERER Jr. *Administrateur*, liquidator of ARAB FINANCE INCOME FUND MANAGEMENT COMPANY, Management Company of the mutual fund ARAB FINANCE INCOME FUND, has decided on January 15, 1989, together with AL SAUDI BANQUE, Depositary Bank of ARAB FINANCE INCOME FUND, the liquidation of the Fund. Consequently, the liquidation of the Fund is suspended as from that date. The liquidation will be performed by the Management Company and will be effective after the first publication of the present notice in the *Mémorial, Recueil Spécial des Sociétés et Associations*. Shareholders will be informed later about the closing of the liquidation and the terms of the distribution of the net proceeds of the liquidation.

Aloyse Scherer Jr.
Liquidator
ARAB FINANCE INCOME FUND
MANAGEMENT COMPANY



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*The forecast from the historic performance of the fund suggests a potential average annual growth of 31.4%.

Prospective agents must be licensed to operate and act as intermediaries in the jurisdiction of their agency by the local regulatory authority.

LPS

London Portfolio Services plc

G.T. US SMALL COMPANIES FUND

(Société d'investissement à capital variable, Luxembourg)
2 boulevard Royal, L-2953 Luxembourg.
R.C. Luxembourg No. B25176

Notice to Shareholders.

NOTICE IS HEREBY GIVEN to shareholders in G.T. US Small Companies Fund of an Extraordinary General Meeting to be held at the registered office of the Fund on 23rd February, 1989 with the following agenda:

- 1) to amend the Articles of Incorporation so as to adjust such Articles in order to satisfy the requirements of the Law of 30 March, 1988; and
- 2) to amend the Articles of Incorporation so as to make certain further adjustments to the Articles, including the removal of the requirements for notices to be sent to registered shareholders by registered mail, to amend the facility to reduce or defer redemption requests in particular circumstances, to provide for the annual distribution of at least 85 per cent of the net investment income and to revise the fee structure.

Copies of the revised Articles of Incorporation may be obtained from the registered office of the Fund, from the office of the Hong Kong Representative at 17th Floor, Three Exchange Square, 8 Connaught Place, Central, Hong Kong, or from the office of G.T. Management PLC (a member of IMRO) at 8th Floor, 8 Devonshire Square, London EC2M 4YJ.

Resolutions on the agenda of the Extraordinary General Meeting will require a quorum of at least 50% of the outstanding shares and will be adopted if at least three-quarters of the shareholders present or represented vote in favour.

In order to take part at the meeting of 23rd February, 1989 the owners of bearer shares will have to deposit their shares FIVE clear days before the meeting with the following bank who is authorised to receive the shares on deposit:

Banque Internationale à Luxembourg,
2 boulevard Royal, L-2953 Luxembourg.



G.T. DEUTSCHLAND FUND

(Société d'investissement à capital variable, Luxembourg)
2 boulevard Royal, L-2953 Luxembourg.
R.C. Luxembourg No. B25023

Notice to Shareholders.

NOTICE IS HEREBY GIVEN to shareholders in G.T. Deutschland Fund of an Extraordinary General Meeting to be held at the registered office of the Fund on 23rd February, 1989 with the following agenda:

- 1) to amend the Articles of Incorporation so as to adjust such Articles in order to satisfy the requirements of the Law of 30 March, 1988; and
- 2) to amend the Articles of Incorporation so as to make certain further adjustments to the Articles, including the removal of the requirements for notices to be sent to registered shareholders by registered mail, to introduce the facility to reduce or defer redemption requests in particular circumstances, to provide for the annual distribution of at least 85 per cent of the net investment income and to revise the fee structure.

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Banque Internationale à Luxembourg,
2 boulevard Royal, L-2953 Luxembourg.



Go-Go Amstrad Comes a Cropper

Chip Shortage and Product Snags Undermine Profit

LONDON — Amstrad PLC, the fast-growing consumer electronics concern, reported the first serious setback in its nine-year history when it said Tuesday that pretax profit fell 16.4 percent in the latest half, to £75.30 million (\$131.8 million).

Amstrad's chairman and founder, Alan Sugar, blamed a shortage of certain computer chips and delays in bringing out new products for the profit decline.

Amstrad makes hi-fi equipment and satellite dishes for television, in addition to clones of International Business Machines Corp.'s personal computers.

Sales fell slightly from £351.06 million to £348.77 million in the six months ended Dec. 31.

On the London Stock Exchange, Amstrad shares fell after the announcement, closing down 22 pence at 159 pence.

Mr. Sugar said that prices of dynamic random access memory chips, or DRAMs, essential components in Amstrad's products, generally doubled because of the shortage.

The resulting pressure on profit margins was exacerbated by delays

in bringing the powerful PC2000 personal computer to market, by a shortfall in audio equipment output and by snags in European production of videocassette recorders.

Christmas revenues for audio equipment were hit and cannot be recovered in the second half of the business year, Mr. Sugar added.

He said Amstrad had begun to deliver on time its satellite dish and receiver with a basic price of £199, which was announced last June.

However, analysts say the product did not arrive in the shops as early as planned.

Amstrad, the only remaining major British company in consumer electronics, made its name with aggressively priced products assembled in the Far East.

Between 1980, when it went public, and the 1987-88 financial year, it saw its profit increase more than 60-fold.

Explaining the problems that have now cropped up, Mr. Sugar said the first models in Amstrad's new computer range, aimed at the business market for personal computers, suffered from technical problems with microchips.

The models were due to be on sale in Britain in December. Pro-

duction has started, but it will be several months before all markets are supplied, Mr. Sugar said.

The shortage of audio equipment was caused by labor market problems at Amstrad's Taiwan contractor for electronic subassemblies.

In the video cassette recorder market, European Community rules on product dumping and local sourcing of components in Amstrad's venture with Funai Electric Co. of Japan persuaded Amstrad to try to make all its VCR output from June to December in Britain.

But Mr. Sugar said the target was not met.

Nixdorf Cuts Dividend
Nixdorf Computer AG, the leading West German maker of mainframes, said Tuesday that it was cutting its 1988 dividend to 4 Deutsche marks (\$2.14) from 10 DM on its preferred shares, new agencies reported. The preferred shares are its only listed shares.

Nixdorf said 1988 earnings were "totally unsatisfactory" and noted a further price drop and weaker market growth in the second half. Group sales, which had risen 11 percent in the first half, ended the year only 5 percent higher at 5.34 billion DM.

Aussadat Looms as Test of French Bid Policy

PARIS — A French company expressed interest Tuesday in combining International Paper Co.'s bid for the French papermaker Aussadat-Rey SA, and analysts said the case would be the first test of President François Mitterrand's resistance to foreign takeovers.

Mr. Mitterrand spoke out on Sunday against "takeover fever" and said he would curb takeovers of French companies by foreign interests. "You can count on me to prevent the ruin and pillaging of the French economy," he said.

On Tuesday, the French paper concern Arjomari said it was considering mounting a French consortium bid for Aussadat-Rey to counter the 2 billion franc (\$315 million) bid by U.S.-based International Paper.

Aussadat's board agreed Jan. 17 to International Paper's bid of 675 francs a share.

Analysts said the Arjomari initiative, if followed through, will have been influenced by Mr. Mitterrand's stance.

"This is the last opportunity for France to pull together a major

French papermaker," said a paper sector analyst at a Paris stockbrokerage. "It's a test case for Mitterrand's government."

Paris analysts said Arjomari was not large enough to launch a bid for Aussadat alone and would seek to bring in other French groups, possibly with government backing.

"Arjomari is going to get all the big French groups with any interest in paper involved," the paper sector analyst said.

A spokesman for Saint Louis-Bouchon, the food group that has a 34 percent stake in Arjomari, said: "We are considering a French solution through Arjomari."

A senior banking source said International Paper's bid was passed last month to the Treasury, which reports to the Finance Ministry on foreign takeovers in France.

There had been no difficulty with the dossier before Mr. Mitterrand's speech, but speculation was growing that Aussadat might have to find a European partner, the banking source said.

Paris analysts said the bid would be difficult to block on the grounds of being a speculative raid in pursuit of "easy money" in line with Mr. Mitterrand's criticism.

"International and Aussadat have good sound industrial reasons for their deal," one analyst said. "This isn't the sort of gangsterism Mitterrand talked about."

GM: Profit Up, Stock Price Down

(Continued from first finance page)
figure compared with \$10.06 in 1987.

The company said that while earnings at its North American operating group increased significantly in 1988 over nominal 1987 profits, the bulk of its earnings came from overseas.

Overseas operations earned a record \$2.7 billion last year, up from \$1.9 billion in 1987.

GM's nonautomotive subsidiaries — GM Hughes Electronics Corp., Electronic Data Systems Inc. and General Motors Acceptance Corp. — accounted for the majority of U.S. profit, with combined earnings of nearly \$1.19 billion for 1988.

While GM did not disclose profit earned directly from its North

American automotive group, industry analysts estimated those earnings at between \$500 million and \$600 million, compared with less than \$100 million last year.

Analysts said the short-term outlook for GM is strong but the record 1988 profit mask problems the company still faces in its core automotive business.

"For the next six months, their earnings should hold up very well, my concerns are more long term," said Mr. Laughlin of Bear Stearns.

But Charles Brady, an analyst at Oppenheimer & Co., said he was not concerned by the lower spending levels or by GM's loss of car market share because the company is improving its inherent profitability.

SEVEN-UP: New Product Flop Shows Perils of Rushing Marketing Plan

(Continued from first finance page)
Group, a marketing firm based in Boston.

But achieving that position is costly. Yearly advertising budgets for major new products, mostly spent on network television ads, often run in the tens of millions of dollars.

Coca-Cola Co., for instance, has spent around \$40 million a year to advertise Diet Coke since 1984, but introducing the product in 1982, said Raymond Goldman, an industry analyst for PaineWebber Inc. in San Francisco.

Diet Coke was a huge success — it is now the No. 3 soft drink after Coke Classic and Pepsi — but most new drinks are not.

Fibb, a Dr. Pepper-like product made by Coca-Cola, On Tap Root Beer from PepsiCo, and Pepsi's Apple Slice and Cherry Cola Slice have all fared poorly.

The recipe that became 7-Up Gold was actually invented at Dr. Pepper Co. Seven-Up consolidated administrative functions with Dr. Pepper in 1986, and formally merged with it last year.

The new soda has a reddish caramel hue. Its flavor, like those of Dr. Pepper or Mountain Dew, fits no established category like cola or lemon-lime.

It tastes something like ginger ale with a cinnamon-apple overtone and a caffeine kick.

The stage was set for 7-Up Gold

in 1987, when Seven-Up Co. had enormous success with its first new product that used the 7-Up name: Cherry 7-Up. The product captured a 1.7 percent market share in its first year.

Executives of Seven-Up and Dr. Pepper looked around for a way to quickly expand on their good fortune. They settled on the unused Dr. Pepper recipe, but decided to give it the 7-Up name.

"Success somewhat intoxicated us about new products," Mr. Klein said. "And for what we felt were more opportunities with the 7-Up trademark."

To introduce a new product that did not have the 7-Up brand name, he added, would have meant spending vast sums on advertising to establish the name in the public's mind.

Still, the company did not skimp on advertising.

Beverage Digest, an industry trade journal, estimates that the company spent \$10 million on a series of network television ads that tried to attract young buyers to 7-Up Gold with images of boisterous, partying teen-agers and drag-racing soda cans rising clouds of spray, with the theme "The Wild Side of 7-Up."

The company chose the name Gold for its connotations of high quality, and also because the drink, with its unusual flavor, needed a

name that did not attempt to define the taste.

But the idea of a dark-colored, caffeinated 7-Up was the hurdle most consumers never cleared.

James Levy, president of Seven-Up New York bottling company, said the ads not only failed to attract teen-agers, they also did not seem to reach an equally powerful group of consumers: mothers of young children.

Joan Meyers, editor of Beverage Digest, said the fact that 7-Up Gold is dark in color, but is not labeled a cola, seemed to be an ingenious way to circumvent contracts at bottling companies that forbid them to distribute more than one cola-flavored drink.

Calling 7-Up Gold a "spice-flavored soda," Mr. Meyers said, al-

lowed it to be carried by more bottlers, and thus potentially gain more market share.

Optimism at the company ran so high that instead of doing extensive test-marketing, the company decided to introduce the product nationwide, with a multimillion-dollar television advertising campaign, right away.

Sales looked promising for a brief period, then dropped.

Even more worrisome, Cherry 7-Up's sales also started to slip as 7-Up Gold drained away the advertising and marketing resources.

By last fall, Seven-Up Co. decided to discontinue heavy advertising and promotional support of 7-Up Gold.

Today, 7-Up Gold is still shipped in small quantities.

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G.T. UK SMALL COMPANIES FUND

(Société d'investissement à capital variable, Luxembourg)
2 boulevard Royal, L-2953 Luxembourg.
R.C. Luxembourg No. B25668

Notice to Shareholders.

NOTICE IS HEREBY GIVEN to shareholders in G.T. UK Small Companies Fund of an Extraordinary General Meeting to be held at the registered office of the Fund on 23rd February, 1989 with the following agenda:

- 1) to amend the Articles of Incorporation so as to adjust such Articles in order to satisfy the requirements of the Law of 30 March, 1988; and
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15-2-89

U.S. Retail Sales Up Sharply

Continued from Page 11

WASHINGTON — Retail sales advanced by a healthy 0.6 percent in January, on the strength of booming sales of general merchandise, food and hardware goods, the U.S. government said Tuesday.

The January gain, the strongest since a 1.3 percent jump in November, exceeded analysts' forecasts of a 0.2 percent increase, and added to speculation that U.S. interest rates might rise further.

"The data were strong," said William Griggs of Griggs & Sanow Inc., a New York consulting firm. "They suggest the consumer is still in a buying mood."

Retail spending is seen as a key barometer of economic health because it represents about one-third of the gross national product.

Helping offset the impact of the January gain was a downward revision in the December number, to a drop of 0.1 percent from a gain of 0.2 percent. The December figure had been expected to be revised up sharply.

Still, Mr. Griggs contended the data for the fourth quarter, in general, were strong. "You had a very strong fourth quarter and you had a strong beginning to the first quarter," he said.

Economists will be closely

watching other government data set for release later this week to see if they confirm the robust trend. Data is to be released on industrial production, capacity use, and U.S. trade.

The overall sales increase in January was held back by a 0.9 percent drop in car sales, which followed a 0.4 percent fall in that category in December.

Excluding autos, which account for about one-fourth of the retail total, sales in January would have been up 1 percent, following an unchanged pace in December.

The only category besides autos to record a decrease in January was sales for clothing and accessory stores.

Total sales last month were \$138.9 billion compared with \$138.2 billion in December, according to the department's Census Bureau.

Sales of durable goods, items from toasters to cars that are designed to last several years, rose 0.1 percent, while sales of nondurable goods jumped 0.8 percent.

General merchandise stores led the way with a 1.7 percent increase in sales, including a strong 1.3 percent increase among department stores.

Earlier this month, major depart-

ment store chains reported strong sales in January, aided by mild winter weather that encouraged shoppers and added to sales volume. In addition, smaller-than-expected inventories resulted in higher prices that increased overall sales figures for January.

Food stores saw a 1 percent increase in sales, with grocery stores up 1.2 percent, the department said.

Building materials, hardware and garden supply stores led the increase in sales of durable goods with a 1.4 percent jump in business.

Furniture stores saw sales increase 0.4 percent in January, while automotive dealers experienced a 0.9 percent decline in sales, the department said.

In January, retail sales were 7.7 percent above the level of January 1988. Sales of durable goods increased 7.5 percent from year to year, with automotive sales up overall by 4.7 percent from January 1988, the department said.

Building materials sales were up 15.2 percent and furniture stores posted a sales increase of 8 percent from January 1988.

General merchandise stores saw business increase 7.3 percent last month from January 1988.

(AP, UPI, Reuters)

German Prices Rose by 1.7% In January

Reuters

BONN — Wholesale prices increased by 1.7 percent in West Germany in January, the government reported Tuesday, making the year-on-year inflation rate 5.1 percent.

The report from the Federal Statistics Office indicated that prices were running well ahead of official forecasts.

The figures indicated that the inflation rate could hit 3 percent, compared with government forecasts of 2.5 percent, economists said.

"We see a very real risk that inflation will touch 3 percent this year," said Giles Keating, international economist at Credit Suisse First Boston Ltd. in London.

January's wholesale price rise was the highest year-on-year increase since July 1982.

West Germany's January cost of living index was 2.6 percent up on last year.

However, much of the increase on December's figure came from a rise in consumer taxes.

Tuesday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

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U.S. Plan Could Curb Future Retirees' Benefits

By Frank Swoboda and Albert B. Crenshaw

Washington Post Service

WASHINGTON — In a move that could force curtailment of health-care benefits for millions of future retirees, the accounting profession proposed new rules Tuesday requiring employers to begin showing the costs of future fringe benefits on their corporate books.

The change could add hundreds of billions of dollars in liabilities to corporate balance sheets, depressing the earnings of most large corporations for a number of years.

In some instances, it could force companies to raise prices. In the auto industry, for example, where major U.S. companies pay the full health costs for retired workers, the accounting change would add more than \$200 to the cost of every car manufactured in America.

At General Electric Co., where the impact is less because the company begins contributing into a health fund the moment a worker retires, the annual charge against profits is estimated at \$250 million. The proposal comes at a time when government leaders are struggling to find ways to extend private health-care insurance to a greater portion of the population.

Many experts predicted the rule would eventually force many com-

panies to curb medical insurance benefits for retirees, unless Congress intervenes to allow tax-deductible funding of these costs.

Pushing the change is the Financial Accounting Standards Board, which sets the rules for the accounting profession. The board's reasoning is simple enough: Stock-

holders and creditors deserve to know what companies have promised to pay in the future.

According to standard accounting practice, if a company has not been putting aside money to pay for retirees' fringe benefits, it should at least list those costs as an unfunded liability on its annual balance sheet.

FASB, which has been working on the rule for more than a decade, formally issued its proposal Tuesday. Implementation is to begin at the start of fiscal 1992 for all but the smallest employers.

Although FASB is not a government agency and has no enforcement powers, the Securities and

Exchange Commission requires publicly owned companies to use its rules.

The rule would require companies to calculate the "present value" of all retiree benefits, including health care, and such others as life insurance and legal assistance.

The FASB project manager,

James L. Leisenring, FASB vice chairman, said the new rule would force companies to re-examine the promises they had made to their employees. He added, however, that because people were living longer and medical costs had skyrocketed, employers already were re-examining health-care plans.

FASB officials estimate that less than 2 percent of the nation's employers are now putting money aside for retirement health benefits. "These plans are all on a cash ba-

sis," Mr. Leisenring said. "No body's got them funded."

Benefits experts acknowledge that the problem lies not in the accounting, but in the runaway cost of medical care.

When FASB began studying the problem in the 1970s, medical-care costs for retirees were viewed as relatively insignificant. But according to Arthur Andersen & Co., an accounting firm, the ratio of active to retired workers at the average Fortune 500 company has gone from 12 to 1 in 1974 to 3 to 1 today.

The proposal has caused so much concern within the business community that the Business Roundtable, which represents more than 200 major corporations, asked the chairman of the Securities and Exchange Commission, David Ruder, to appoint a Financial Accounting Standards Oversight Committee. Mr. Ruder has rejected the proposal.

An executive at one of the nation's largest manufacturing employers acknowledged that accounting for the cost of retiree benefits "is probably a correct call." But he added, "it is one of the most expensive things that can happen to a company."

He predicted that the new rule would create enormous bargaining pressures for companies with unions.

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Belgium** B.F.	(02) 218 46 43*	11,000	7,200	6,000	3,300
Denmark** D.K.	0430 00 80	2,700	1,304	1,500	830
Finland** F.M.	(09) 68 30 30*	1,760	1,334	970	540
France** F.F.	05 436 436	1,500	1,230	830	455
Germany** D.M.	0180 25 31	580	403	320	176
Gr. Britain** S.	—	135	102	74	41
Greece** Dr.	897 02 42***	23,500	31,100	13,250	7,300
Ireland** Sh.	—	155	118	85	47
Italy** Lire	—	360,000	295,200	200,000	110,000
Luxembourg** L.Fr.	89 49 60	11,000	7,200	6,000	3,300
Netherlands** Fl.	06-022 08 15	600	492	340	185
Norway** N.Kr.	(02) 41 34 89*	2,000	1,276	1,100	600
Portugal** Esc.	(01) 80 71 23*	26,000	32,240	14,300	7,900
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Switzerland** S.Fr.	046 05 68 00	455	455	255	141
Rest Europe, N. Afr., N.French Africa, Mid. East	\$	470	Varies by country	260	145
Rest of Afr., Gulf States	\$	620		340	190
Central/Latin America	\$	540		295	160

CURRENCY MARKETS

Dollar Falls Sharply on Bundesbank Rate Fears

Reuters

NEW YORK — The dollar fell sharply against the West German mark on Tuesday to close two pence lower, as some investors were unnerved by rumors of an expected West German interest rate increase later this week.

The dollar failed to respond positively to a strong 0.6 percent rise in U.S. January retail sales, dealers said.

The brisk pace of U.S. consumer spending has raised concern that the U.S. economy is growing too rapidly and could push inflation rates up further to contain inflationary pressures. But dealers said that the immediate threat of higher West German interest rates was the dominant factor for the dollar Tuesday.

The U.S. currency closed at 1.8438 Deutsche marks, down sharply from 1.8665 DM on Monday, and at 126.275 yen, down from 128.000 yen a day earlier.

The British pound firmed to \$1.7735 from \$1.7545 a day earlier. The U.S. unit also finished at 1.5643 Swiss francs, down from 1.5873 francs on Monday, and at

London Dollar Rates

Currency	Unit	Rate
Deutsche mark	100	1.8438
Swiss franc	100	1.5643
Japanese yen	100	126.275
French franc	100	1.5873

Source: Reuters

6.2725 French francs, down from 6.3510 francs a day earlier.

Dealers said that the lack of firm indications that the U.S. Federal Reserve will act soon to push rates higher helped undermine the currency in European trading Tuesday.

"Charts and interest rate differentials caused it," said Mark Brett, head of currency and bond strategy at Barclays de Zoete Wedd in London.

"There's a lot of disappointment the Fed doesn't seem to be aggressively tightening monetary policy."

But speculation that the Bundesbank may raise interest rates Thursday, which would serve to neutralize a Fed move toward higher rates, took some of the shine off of the dollar, Mr. Brett said.

Indeed, some analysts said that European central banks, determined to bolster their currencies against a strong dollar, may have started nudging short-term interest rates higher.

Economists said policy-makers in many European countries will be keen to avoid a dramatic rise in the cost of credit for fear of pushing Europe into a recession.

But some believe central banks have already embarked on a modest tightening in response to a new squeeze on credit by the Fed, the sharp rise in U.S. wholesale prices last week and wide-spread disappointment at President George Bush's budget proposal.

"Inflation numbers we're seeing now show the threat is very important worldwide," said Paul Thompson, chief economist at brokers Merrill Lynch Europe Ltd. in London.

"It needs a global tightening of monetary policy, which should take the form of a coordinated rise in interest rates. I wouldn't be surprised if we saw a rise in interest rates led by the United States and

West Germany in the next couple of weeks."

Some economists believe the picture of a coordinated move of tightening throughout Europe is already clear.

The Dutch central bank has increased the cost of liquidity aid to banks in the money market to 6.3 percent from 6.25 percent, and Belgium's central bank raised its key three-month treasury certificate rate by 0.15 points to 8.1 percent.

Others say central banks are allowing rates to rise in response to firmer U.S. interest levels and are not convinced the Bundesbank will tighten the screw by raising official rates on Thursday.

That would almost certainly trigger a matching move in many other European countries, analysts said.

Earlier in London, the dollar closed at 1.8505 DM, down from 1.8705 DM on Monday, and at 126.70 yen, down from 128.40 yen a day earlier.

The U.S. currency also finished at 1.5705 Swiss francs, down from 1.5900 francs on Monday, and at 6.3000 French francs, down from 6.3600 francs a day earlier.

Tuesday's NASDAQ Prices

Prices as of 4 p.m. New York time. This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar volume. It is updated twice a year.

Via The Associated Press

Symbol	High	Low	Open	Close	Change
AA	11.11	11.11	11.11	11.11	0.00
AB	11.11	11.11	11.11	11.11	0.00
AC	11.11	11.11	11.11	11.11	0.00
AD	11.11	11.11	11.11	11.11	0.00
AE	11.11	11.11	11.11	11.11	0.00
AF	11.11	11.11	11.11	11.11	0.00
AG	11.11	11.11	11.11	11.11	0.00
AH	11.11	11.11	11.11	11.11	0.00
AI	11.11	11.11	11.11	11.11	0.00
AJ	11.11	11.11	11.11	11.11	0.00
AK	11.11	11.11	11.11	11.11	0.00
AL	11.11	11.11	11.11	11.11	0.00
AM	11.11	11.11	11.11	11.11	0.00
AN	11.11	11.11	11.11	11.11	0.00
AO	11.11	11.11	11.11	11.11	0.00
AP	11.11	11.11	11.11	11.11	0.00
AQ	11.11	11.11	11.11	11.11	0.00
AR	11.11	11.11	11.11	11.11	0.00
AS	11.11	11.11	11.11	11.11	0.00
AT	11.11	11.11	11.11	11.11	0.00
AV	11.11	11.11	11.11	11.11	0.00
AW	11.11	11.11	11.11	11.11	0.00
AX	11.11	11.11	11.11	11.11	0.00
AY	11.11	11.11	11.11	11.11	0.00
AZ	11.11	11.11	11.11	11.11	0.00
BA	11.11	11.11	11.11	11.11	0.00
BB	11.11	11.11	11.11	11.11	0.00
BC	11.11	11.11	11.11	11.11	0.00
BD	11.11	11.11	11.11	11.11	0.00
BE	11.11	11.11	11.11	11.11	0.00
BF	11.11	11.11	11.11	11.11	0.00
BG	11.11	11.11	11.11	11.11	0.00
BH	11.11	11.11	11.11	11.11	0.00
BI	11.11	11.11	11.11	11.11	0.00
BJ	11.11	11.11	11.11	11.11	0.00
BK	11.11	11.11	11.11	11.11	0.00
BL	11.11	11.11	11.11	11.11	0.00
BM	11.11	11.11	11.11	11.11	0.00
BN	11.11	11.11	11.11	11.11	0.00
BO	11.11	11.11	11.11	11.11	0.00
BP	11.11	11.11	11.11	11.11	0.00
BQ	11.11	11.11	11.11	11.11	0.00
BR	11.11	11.11	11.11	11.11	0.00
BS	11.11	11.11	11.11	11.11	0.00
BT	11.11	11.11	11.11	11.11	0.00
BU	11.11	11.11	11.11	11.11	0.00
BV	11.11	11.11	11.11	11.11	0.00
BW	11.11	11.11	11.11	11.11	0.00
BX	11.11	11.11	11.11	11.11	0.00
BY	11.11	11.11	11.11	11.11	0.00
BZ	11.11	11.11	11.11	11.11	0.00
CA	11.11	11.11	11.11	11.11	0.00
CB	11.11	11.11	11.11	11.11	0.00
CC	11.11	11.11	11.11	11.11	0.00
CD	11.11	11.11	11.11	11.11	0.00
CE	11.11	11.11	11.11	11.11	0.00
CF	11.11	11.11	11.11	11.11	0.00
CG	11.11	11.11	11.11	11.11	0.00
CH	11.11	11.11	11.11	11.11	0.00
CI	11.11	11.11	11.11	11.11	0.00
CJ	11.11	11.11	11.11	11.11	0.00
CK	11.11	11.11	11.11	11.11	0.00
CL	11.11	11.11	11.11	11.11	0.00
CM	11.11	11.11	11.11	11.11	0.00
CN	11.11	11.11	11.11	11.11	0.00
CO	11.11	11.11	11.11	11.11	0.00
CP	11.11	11.11	11.11	11.11	0.00
CQ	11.11	11.11	11.11	11.11	0.00
CR	11.11	11.11	11.11	11.11	0.00
CS	11.11	11.11	11.11	11.11	0.00
CT	11.11	11.11	11.11	11.11	0.00
CU	11.11	11.11	11.11	11.11	0.00
CV	11.11	11.11	11.11	11.11	0.00
CW	11.11	11.11	11.11	11.11	0.00
CX	11.11	11.11	11.11	11.11	0.00
CY	11.11	11.11	11.11	11.11	0.00
CZ	11.11	11.11	11.11	11.11	0.00
DA	11.11	11.11	11.11	11.11	0.00
DB	11.11	11.11	11.11	11.11	0.00
DC	11.11	11.11	11.11	11.11	0.00
DD	11.11	11.11	11.11	11.11	0.00
DE	11.11	11.11	11.11	11.11	0.00
DF	11.11	11.11	11.11	11.11	0.00
DG	11.11	11.11	11.11	11.11	0.00
DH	11.11	11.11	11.11	11.11	0.00
DI	11.11	11.11	11.11	11.11	0.00
DJ	11.11	11.11	11.11	11.11	0.00
DK	11.11	11.11	11.11	11.11	0.00
DL	11.11	11.11	11.11	11.11	0.00
DM	11.11	11.11	11.11	11.11	0.00
DN	11.11	11.11	11.11	11.11	0.00
DO	11.11	11.11	11.11	11.11	0.00
DP	11.11	11.11	11.11	11.11	0.00
DQ	11.11	11.11	11.11	11.11	0.00
DR	11.11	11.11	11.11	11.11	0.00
DS	11.11	11.11	11.11	11.11	0.00
DT	11.11	11.11	11.11	11.11	0.00
DU	11.11	11.11	11.11	11.11	0.00
DV	11.11	11.11	11.11	11.11	0.00
DW	11.11	11.11	11.11	11.11	0.00
DX	11.11	11.11	11.11	11.11	0.00
DY	11.11	11.11	11.11	11.11	0.00
DZ	11.11	11.11	11.11	11.11	0.00
EA	11.11	11.11	11.11	11.11	0.00
EB	11.11	11.11	11.11	11.11	0.00
EC	11.11	11.11	11.11	11.11	0.00
ED	11.11	11.11	11.11	11.11	0.00
EE	11.11	11.11	11.11	11.11	0.00
EF	11.11	11.11	11.11	11.11	0.00
EG	11.11	11.11	11.11	11.11	0.00
EH	11.11	11.11	11.11	11.11	0.00
EI	11.11	11.11	11.11	11.11	0.00
EJ	11.11	11.11	11.11	11.11	0.00
EK	11.11	11.11	11.11	11.11	0.00
EL	11.11	11.11	11.11	11.11	0.00
EM	11.11	11.11	11.11	11.11	0.00
EN	11.11	11.11	11.11	11.11	0.00
EO	11.11	11.11	11.11	11.11	0.00
EP	11.11	11.11	11.11	11.11	0.00
EQ	11.11	11.11	11.11	11.11	0.00
ER	11.11	11.11	11.11	11.11	0.00
ES	11.11	11.11	11.11	11.11	0.00
ET	11.11	11.11	11.11	11.11	0.00
EU	11.11	11.11	11.11	11.11	0.00
EV	11.11	11.11	11.11	11.11	0.00
EW	11.11	11.11	11.11	11.11	0.00
EX	11.11	11.11	11.11	11.11	0.00
EY	11.11	11.11	11.11	11.11	0.00
EZ	11.11	11.11	11.11	11.11	0.00
FA	11.11	11.11	11.11	11.11	0.00
FB	11.11	11.11	11.11	11.11	0.00
FC	11.11	11.11	11.11	11.11	0.00
FD	11.11	11.11	11.11	11.11	0.00
FE	11.11	11.11	11.11	11.11	0.00
FF	11.11	11.11	11.11	11.11	0.00
FG	11.11	11.11	11.11	11.11	0.00
FH	11.11	11.11	11.11	11.11	0.00
FI	11.11	11.11	11.11	11.11	0.00
FJ	11.11	11.11	11.11	11.11	0.00
FK	11.11	11.11	11.11	11.11	0.00
FL	11.11	11.11	11.11	11.11	0.00
FM	11.11	11.11	11.11	11.11	0.00
FN	11.11	11.11	11.11	11.11	0.00
FO	11.11	11.11	11.11	11.11	0.00
FP	11.11	11.11	11.11	11.11	0.00
FQ	11.11	11.11	11.11	11.11	0.00
FR	11.11	11.11	11.11	11.11	0.00
FS	11.11	11.11	11.11	11.11	0.00
FT	11.11				

SPORTS

SIDELINES

Oklahoma Back Seized in Dope Sale

NORMAN, Oklahoma (UPI) — Charles Thompson, 21, a University of Oklahoma quarterback, was arrested Monday by FBI officials and charged with selling 17 grams of cocaine to an undercover agent for \$1,400 on Jan. 26, the FBI said.

Thompson, a sophomore, was suspended from the team earlier in the day by Coach Barry Switzer, whose program has been rocked by scandals in recent weeks. The Oklahoma football program is on NCAA probation for recruiting violations.

Thompson carried the ball 145 times for 824 yards and nine touchdowns last season and completed 17 of 50 passing attempts for 192 yards and two scores, but suffered five interceptions.

Landry May Stick With the Cowboys

IRVING, Texas (AP) — Coach Tom Landry of the Dallas Cowboys football team, stung by a 3-13 season and a last-place finish in 1988, hinted he might stay with the team into the next decade while announcing several changes on his staff on Monday. Landry said he was trying to build the Cowboys back into the strong team they were in the 1970s.

Landry replaced the defensive coordinator, Ernie Stanner, and the pass coordinator, Paul Hackett. He hired George Hill as defensive coordinator and Jerry Rhyme as quarterback coach.

Landry said with the coaching changes he might stay on past next year. "I never said I wouldn't be around after next season," Landry said. "If I can find somebody (an owner) who wants me, then I might be available."

Offer Made for Australian Golf

MELBOURNE, Australia (AP) — Greg Norman has offered 50,000 Australian dollars (\$44,500) of his own money toward the salary of a new top executive for the nation's Australian Professional Golfers Association.

The Australian PGA tour director, Don Johnson, quit last month after accusing the board of selling out to the Japanese who have become increasingly involved on the circuit as sponsors and invited players.

Norman said the association needed to employ a top executive similar to Deane Beman in the United States or the European tour director, Ken Schofield. "I believe the best thing for me to do under these circumstances is to make a significant contribution to the Australian PGA to ensure that the right person is employed," Norman said. He is in Melbourne for the Australian Masters, which begins Thursday.

For the Record

Harvard won its first Beanpot hockey championship in eight years Monday night with a 9-6 win over Boston University. The 37-year-old Boston tournament also included Northeastern and Boston College. Harvard is the second-ranked college team in the United States. (AP)

Walter Golobiewski, a former coach of the U.S. cycling team that won gold and silver medals at the 1984 Olympics, was hired Monday by the Canadian Cycling Association to coach the men's road race and team time trial squads. A native of Poland, Golobiewski, 45, was a member of the Polish cycling team from 1958 to 1967. (AP)

The University of Pittsburgh will close out its 1989 football schedule in Dublin, Ireland, against Rutgers. Pitt and Rutgers have agreed in principle to play in the second annual Emerald Isle Classic Dec. 2, a Pitt spokesman said Monday. (UPI)

Quotable

• Doug Moe, the Denver Nuggets coach, in a newspaper column he wrote before the NBA All-Star Game Sunday, on Kareem Abdul Jabbar's late selection to the team: "Somebody asked me if I think Kareem should be on the all-star team for sentimental reasons. You have to like somebody to have sentiment for them. That's why Dr. J made it [in his] last year. Kareem would be the last guy you picked for sentimental reasons. Here's a guy who has been pretty much of a jerk his entire life. He's been one of the least liked guys in the NBA by the fans, the media and the players. If at one time or another you've kicked off everybody in basketball, how the hell are you supposed to be voted in for sentimental reasons?" (WFP)

Georgetown's Defense Stops Syracuse, 61-54

United Press International
In a duel between two of the top point guards in the country, the outstanding defender got the upper hand on the outstanding offensive player.

Charles Smith scored 13 of his 16 points in the second half and held Sherman Douglas of the Syracuse Orangemen to just one assist after halftime Monday night, leading the

TOP-20 BASKETBALL

Georgetown Hoyas, ranked No. 4 in last week's United Press International coaches' poll, to a 61-54 victory over the fifth-ranked Orangemen.

Syracuse entered the game averaging 93.8 points per contest, but was held to just 25 percent shooting in the second half. The primary reason was Smith, who earned early recognition with the Hoyas as a defensive stopper.

"I kept telling (Smith), 'Sherman's going to take over the game,'" John Thompson, the Georgetown coach, said. "You've got to play Sherman because he's the one who will get the basketball and either score the points or make the passes that lead to the points. It's a tremendous burden. But Smith got his scholarship paid for with defense. I told him the day that he forgets that is the day that I'm not going to play him."

Douglas scored 13 points, but hit just five of 15 shots from the floor and fouled out late in the game.

"You've got to do a lot of things to stop Sherman because he's a very good player," Smith said. "You have to stop his alley-oop pass, you have to stop his three-point shot because he's a very good three-point shooter. And you have to stop him from penetrating because he's an excellent penetrator."

Smith also scored the two baskets that put the game away with 1:34 left after the Orangemen had pulled within four points. He hit an 18-foot jumper over two defenders, then added a driving layup after a Syracuse airball for a 58-50 lead with 1:34 left.

Douglas came back with a three-point play, but Alonzo Mourning hit two free throws, and Dwayne Bryant sank a free throw for a 61-53 lead with 53 seconds to play.

Derrick Coleman led Syracuse with 22 points and 11 rebounds, but scored just one point in the last



Chris Brooks of the Mountaineers goes hoopward Monday.

6:43 of the contest. Mourning had 14 points for Georgetown. Georgetown now stands at 19-3 overall and 9-2 in the Big East Conference. Syracuse (21-5, 7-5), has not won on the Hoyas' home court since the 1964-65 season.

West Virginia 80, St. Bonaventure 72: At Olean, New York, Darryl Frue scored 21 points to help West Virginia extend the nation's longest Division I winning streak to 19 games. Chris Brooks added 16 points, and Ray Foster had 14 points and 11 rebounds for the Mountaineers (20-2 and 13-0 in the Atlantic 10). Rocky Llewellyn led St. Bonaventure (7-7, 13-10) with 20 points.

Iowa 83, Ohio State 75: At Iowa City, Iowa, Roy Marble scored 20 points, B.J. Armstrong collected 20 points and 12 assists, and Ed Horton added 18 points and 15 rebounds to power Iowa in a Big Ten conference victory.

The Hawkeyes (18-6, 6-5) used a 20-0 run in the second half to snap a two-game losing streak. Jay Burson scored 25 points to lead Ohio State (17-7, 6-5).

Chris Mullin: His Finest Season

Work and Alcoholism Therapy Give Warriors a Leader

By Sam Goldaper
New York Times Service

HOUSTON — The moves — the stutter steps, fakes and jukes that leave defenders leaving the wrong way — have become so refined that they often go unnoticed.

But Chris Mullin has not gone unnoticed. He has been recognized as a NBA All-Star for the first time in his four-year pro career.

Mullin is back, playing for Don Nelson, a coach he enjoys almost as much as he did Lou Carnesecca at St. John's University in Jamaica, New York. He is the player who sparks the Golden State Warriors, who may be headed for their second playoff berth since they won the 1975 National Basketball Association championship.

He is the main reason rival coaches are scouting the Warriors again, mapping defenses and worrying about matchups.

Mostly, they worry about matching up against Mullin, 6 feet 7 (2 meters), who is no longer playing the big guard, the position he played when he won 1985 college player of the year honors and led St. John's to the collegiate Final Four.

With an abundance of backcourt men, Nelson this season has moved Mullin to point forward, which means that the offense is often under the direction of Mullin.

The tactic is designed not only to create matchup problems for opposing teams but also to take advantage of Mullin's decision-making skills. Nelson's move has given him the look of a genius.

Mullin, who was selected to the All-Star team by the Western Conference coaches to augment the starters voted by the fans, is averaging 26.5 points a game, tied with Charles Barkley of the Philadelphia 76ers for the sixth-highest average in the league. He is also averaging six assists and 5.8 rebounds a game.

He played 14 minutes in the All-Star Game and scored four points.

Mullin called his All-Star selection "definitely the biggest honor of my life, especially when you consider where I came from."

Thirteen months ago, Mullin entered an alcohol-dependency rehabilitation program in California.

"I needed to regain control of my life," said Mullin, who spent 31 days in the hospital program, where, each day, he spent about six hours in instructional meetings and therapy.

"I'm in control of my life," Mullin said confidently. "I've been doing that for over a year and a lot of things have fallen into place. My life has become better that way."

This season, Mullin is being mentioned in the same breath with the game's other great players because of his versatility. "He's a miniature Larry Bird," said Jim O'Brien, assistant coach of the New York Knicks, who has scouted him.



Mullin, left, fighting for a rebound, with Rod Higgins of the New Jersey Nets.

"Neither of them have the speed, but both use their bodies extremely well coming off picks to bump defensive players, just enough to get them out of position," O'Brien said. "They are both players who are difficult to double in the post because they are such good passers."

When the Knicks played the Warriors on

He is the main reason rival coaches are scouting the Warriors again, mapping defenses and worrying about matchups.

Jan. 18, their chief concern, O'Brien said, was a play Golden State called "motion." It is designed for random movement to get Mullin free for his shot.

The action usually begins with Winston Garland delivering the ball to Mullin coming off a double screen on the baseline. Once he catches it, Mullin has the option to pass or shoot or drive to the basket, depending on what the defense gives him.

Often, Mullin tosses up one of the soft jumpers he is noted for. He scored 30 points against the Knicks.

"He has adjusted well to his rehabilitation," Nelson said recently in his office at the Oakland Coliseum. "Chris is a different and better person."

"You can see the maturity. He's more open and honest. He's become the kind of man you would like to see your son become."

Nelson might not have said that about Mullin a year ago. As he watched the Warriors games from the stands in his role as part owner and general manager, he had doubts about whether Golden State had not wasted a first-round pick in selecting Mullin in 1985.

It was Nelson who first confronted Mullin about his drinking and urged him to seek help.

"When I first got here, all I heard was how good he was," said Nelson. "But he wasn't that good. He was an alcoholic and overweight, and I wasn't particularly pleased with Chris defensively. It's all different now."

"Everything that has happened in his life has turned out positive as far as the Warriors are concerned," Nelson said. "Chris has got his life together. There isn't anything that he doesn't do well on a basketball court."

"Before, he was just a scorer. He could shoot with range, hit the open jumper and do his little things whether he was in shape or not. But now that his body is his again, he's driving and passing more and getting the ball more," Nelson said.

Mullin agreed. "It's pretty well documented that Coach Nelson has had a big impact on my life," Mullin said. "I would never have taken the step and gone into rehabilitation, and had Coach Nelson not pushed me toward it, all this would never have happened to me."

Mullin's success involved more than trading beer for club soda. His enthusiasm for basketball was rekindled, adding a new dimension to a game he has loved and played since he was a fourth-grader at St. Thomas Aquinas in the Flatlands section of Brooklyn. "I'm in the best shape of my life," said Mullin. "The game is fun again. It wasn't for a while."

Jack McMahon, the Warriors' director of player personnel, can attest to the strenuous hours Mullin put in to reclaim his body.

"Two and three years ago, Chris weighed 250 pounds (113.4 kilograms) and looked like a defensive back when he came to training camp," said McMahon. "He would need about two and half weeks to get the weight off and into shape."

"Now that he is obviously not drinking any more, he came into training camp weighing 218 pounds and ready to play," McMahon said. "It's had its rewards. He's playing the game the way it should be played and his philosophy is that if you can knock the ball through the hole better, I'll pass it to you. If I have the better shot at it, let me take the shot."

When he reported to the Warriors' camp in October, Mullin was in the best shape of his life. The result has been his finest pro season.

BOOKS

FROM THE PRESIDENT.

Richard Nixon's Secret Files

Edited by Bruce Oudes. 661 pages. \$22.50. Harper & Row, Publishers Inc., 10 East 53d Street, New York, N.Y. 10022.

Reviewed by Christopher Lehmann-Haupt

ALMOST as powerfully as Froun's uneven cobblestones managed to do, the following memorandum from President Richard M. Nixon to Mrs. Nixon, written early in his first term of office, recaptures a lost time:

"In talking with the GSA director with regard to RN's room, what would be most desirable is an end table like the one on the right side of the bed which will accommodate two dictaphones as well as a telephone."

"RN has to use one dictaphone for current matters and another for memoranda for the file which he will not want transcribed at this time. In addition, he needs a bigger table on which he can work at night. The table which is presently in the room does not allow enough room for him to get his knees under it."

The stiffness of the prose here, the oddity of a man referring to himself in the third person when addressing his wife; the picture of him working at a table he cannot get his knees under:

These elements combine to capture a quintessence of the Nixon era.

They also raise the question, how much of that past do we wish really to recapture? The answer is, not much at all, at least to judge from this collection of Nixon's secret files that Bruce Oudes has selected and put together.

What strikes a reader most forcefully is the sheer pervasiveness of the former president's calculated lack of spontaneity. Even in a lengthy memo to his daughters coaching them on how to publicize their father's private side, he manages to make their relationship with him sound wooden.

As nearly as this reader can make out from Oudes's rambling, clumsily written introduction, the material included here was chosen from some 3 million pages of Nixon's Special Files that were released by the National Archives in May 1987.

Because the material is so vast, Oudes, now completing a book on Nixon's foreign policy, had to be highly selective. At the same time, because the president wrote almost no memos at all during his final 15 months in office, Oudes, to lend a semblance of continuity to his narrative, was forced to go outside his cache of material and resort to quoting newspaper commentary.

In his introduction, Oudes chastises the press for having overlooked the news value of the Special Files when they were released, and for having too quickly consigned the Nixon administration to "his-

torical assessment" when in fact "a good deal of news could be culled from these files." If this is indeed the case, then Oudes too has failed us. For his volume fails either to tell us the news or to place it in an intelligible context.

True, he identifies his book as "an interim progress report on the Special Files." And he goes on to explain that "hundreds of thousands of important

documents have yet to be evaluated." This leads one to hope that a more comprehensive volume will be forthcoming. But in the meantime his work is mainly for historians and Watergate buffs. And for any nostalgic souls who would like to recapture the ways of Nixon.

Christopher Lehmann-Haupt is on the staff of The New York Times.

BEST SELLERS

The New York Times
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

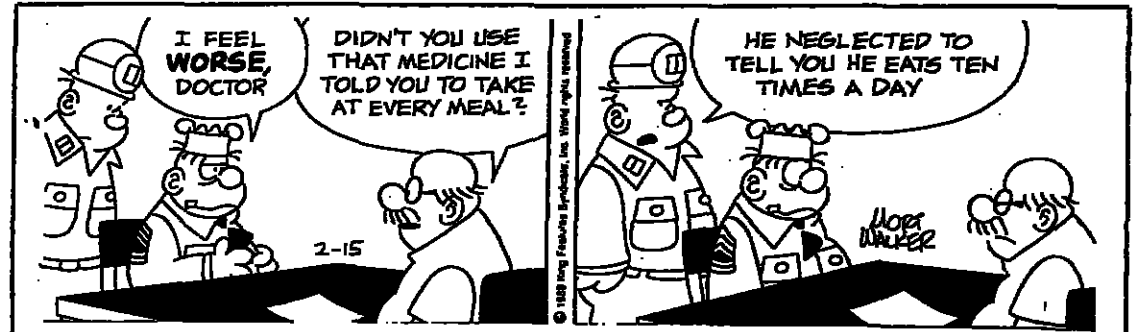
Week	Title	Author	Last Week	On List
1	MIDNIGHT, by Dean R. Koontz	Koontz	1	3
2	THE SANDS OF TIME, by Sidney Sheldon	Sheldon	2	13
3	RIVALS, by Janet Dailey	Dailey	3	4
4	THE CARDINAL OF THE KREMLIN, by Tom Clancy	Clancy	4	28
5	A SEASON IN HELL, by Jack Higgins	Higgins	5	4
6	MUTATION, by Robin Cook	Cook	6	3
7	BREATHING LESSONS, by Anne Tyler	Tyler	7	21
8	THE LYRE OF ORPHEUS, by Robertson Davies	Davies	8	5
9	A TWIST IN THE TALE, by Jeffrey Archer	Archer	9	12
10	ONE, by Richard Bach	Bach	10	8
11	LOVE IN THE TIME OF CHOLERA, by Gabriel Garcia Marquez	Marquez	11	38
12	THE QUEEN OF DAMNED, by Anne Rice	Rice	12	11
13	ALASKA, by James A. Michener	Michener	13	33

Week	Title	Author	Last Week	On List
1	ANYTHING FOR BILLY, by Larry McMurtry	McMurtry	1	17
2	BLIND FAITH, by Joe McGinniss	McGinniss	2	3
3	ALL I REALLY NEED TO KNOW I LEARNED IN KINDERGARTEN, by Robert Fulghum	Fulghum	3	15
4	A BRIEF HISTORY OF TIME, by Stephen W. Hawking	Hawking	4	43
5	GRACIE, by George Burns	Burns	5	13
6	THE LAST LION, by William Manchester	Manchester	6	17
7	PARTING THE WATERS, by Taylor Branch	Branch	7	5
8	"WHAT DO YOU CARE WHAT OTHER PEOPLE THINK?" by Richard P. Feynman with Ralph Leighton	Feynman	8	11
9	CHILD STAR, by Shirley Temple Black	Temple	9	14
10	A BRIGHT SHINING LIE, by Neil Sheehan	Sheehan	10	16
11	THE GARDEN GRANNY YOU KNOW THEM TATERS GOT EYES, by Lewis Ginzburg	Ginzburg	11	13
12	THE DICTIONARY OF CULTURAL LITERACY, by E.D. Hirsch Jr., Joseph F. Ken and James Trefl	Hirsch	12	2
13	THE FIRST SAUTE, by Barbara W. Tuchman	Tuchman	13	18
14	TALKING STRAIGHT, by Lee Iacocca with Sonya Iacocca	Iacocca	14	15
15	GOLDWATER, by Barry M. Goldwater with Jack Casseary	Goldwater	15	16
16	SENATORIAL PRIVILEGE, by Leo Danneberg	Danneberg	16	19
17	ADVICE, HOW-TO AND MISCELLANEOUS		17	1
18	THE 8-WEEK CHOLESTEROL CURE, by Robert L. Kewitz	Kewitz	18	84
19	WEALTH WITHOUT RISK, by Charles J. Givens	Givens	19	3
20	THE DICTIONARY OF CULTURAL LITERACY, by E.D. Hirsch Jr., Joseph F. Ken and James Trefl	Hirsch	20	13
21	SWIM WITH THE SHARKS WITHOUT BEING EATEN		21	41
22	WEBSTER'S NEW WORLD DICTIONARY, (Simon & Schuster)		22	56

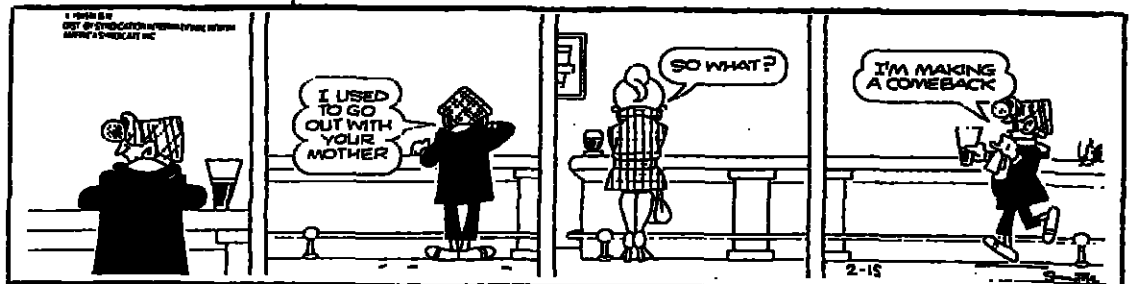
PEANUTS



BEETLE BAILEY



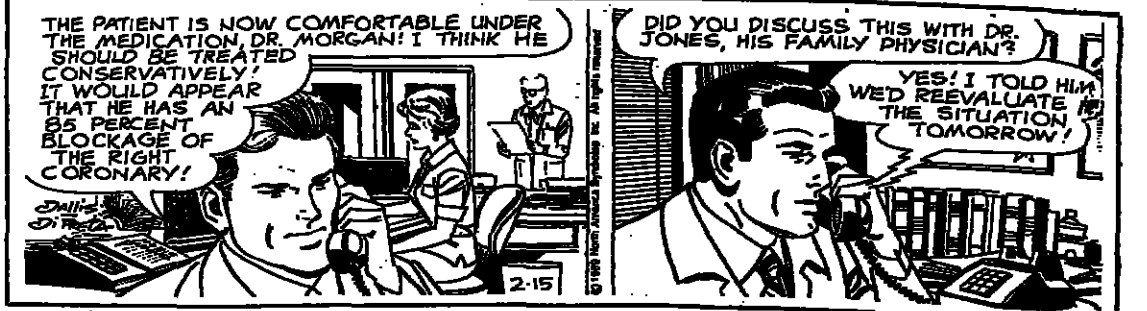
ANDY CAPP



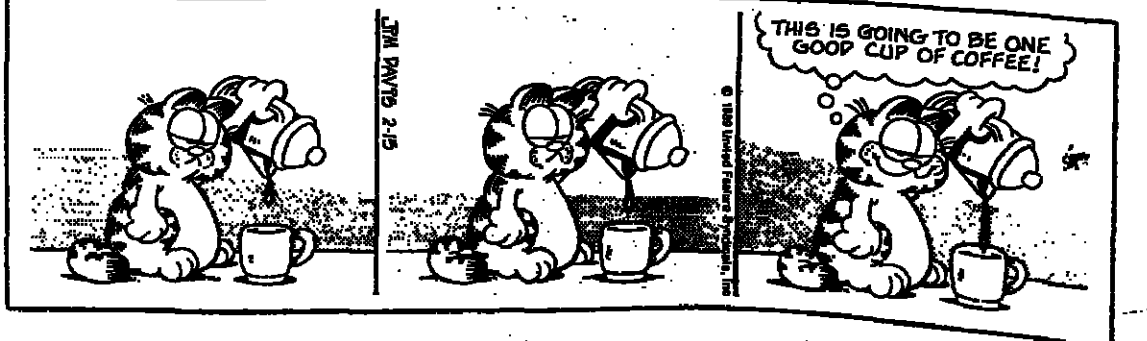
WIZARD of ID



REX MORGAN



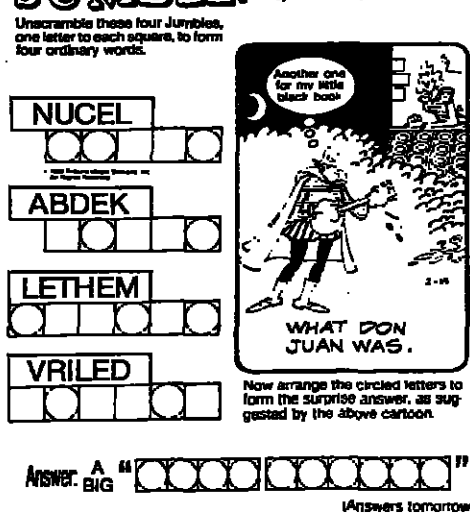
GARFIELD



DENNIS THE MENACE



JUMBLE



BLONDIE



*I'M TRYING TO LEARN MR. WILSON HOW TO TELL THE DIFFERENCE BETWEEN CHIP AND DALE.

Yesterday's Jumble: ENEMY COUGH VISIBLE DEVICE
Answer: WE HAD LOVED IN 'VEIN

كندا، امريكا

